Changing Europe expands panorama of U.S. retailing

Focusing on the U.S. alone produces a limited perspective

Ken Schept
NHCN Editor

There are two special reports in this issue: World Powers and The Retail Scoreboard.

The first measures and analyzes the performance of industry retailers worldwide. The second gives more detailed scrutiny to U.S. companies.

This combination provides a new context in which to understand U.S. home improvement retailing as part of a global business conservatively estimated to total more than $170 billion in sales.

The U.S. is by far the largest component of this figure. However, eight of the 15 largest Retail World Powers are headquartered in other countries.

Focusing on the U.S. alone produces a limited perspective, like observing a panoramic landscape through a narrow window— the immediate view appears in vivid relief, but critical details remain hidden.

The narrow view reveals that U.S. sales last year were virtually flat, primarily because of home building's weakness. The good news is that the industry is completing its passage through a period of consolidation and is emerging stronger and more productive as the traditional home center format shatters into new segments.

Switching to a wide angle lens, it becomes immediately clear that there is a growing similarity in the way we all think about shelter. Consumers throughout much of the world prefer shopping in modern, well-assorted stores.

As Europe moves inexorably toward broad economic and political interdependence, home improvement retailers there are rushing to keep up with events.

The market leaders of the U.K., France and Germany are crossing national borders for the first time. During this decade European retail expansion and consolidation are likely to produce chains that dominate the region's combined market, which in size and population exceeds that of the U.S.

These dynamics offer opportunities for American companies, which have greater experience meeting the challenges of serving markets of a diversified population and far-flung geography.

By exporting this expertise through partnerships or licensing arrangements, American retailers tempered by competitive fires of the 1980s can contribute to, and benefit from, the changing Europe.

Will we soon see stores with signs that read "The Home Depot: Europe's home improvement warehouse?" Unlikely, at least not while Berlin, Conn., is easier to serve than Berlin, Germany.

On the other hand, recent world events have discredited the word "unlikely."

◆

Census Bureau retail revisions remap market

Figures confirm retailers winning with larger, not more, stores

Wyatt Kash
Publisher

Once again, the U.S. Commerce Department has rewritten retail history.

In a sweeping set of revisions, the department's Census Bureau has just recast every box score on retail trade dating back to January 1982.

The good news is, the revisions give us the most accurate portrait now available on how various retail sectors performed over the past decade. If there's bad news, it's simply that the new figures now make obsolete virtually every retail data base and sales forecast currently in the market.

(For a copy of the new "Revised Monthly Retail Sales and Inventories" report (BR89-R): January 1980 Through December 1989," contact the Census Bureau at 301-763-7128/7129.)

Behind the revisions is the massive infusion of new data derived from the most recent Census of Retail Trade.

The adjustments show the home center sector has grown more than originally thought. As recently as February, the bureau reported home centers, building material and supply dealers generated $64.2 billion in sales in 1989. The revised number now stands at $67.6 billion.

Hardware stores, meanwhile, were estimated to have grossed $14.2 billion in 1989. The figure has been revised now to just $12 billion.

Even these revisions represent anemic gains over 1988's revised sales figures, confirming 1989 was the toughest year for growth since 1982.

As *NHCN*'s own census of the industry reveals in this issue, while seven of the industry's Top 25 retailers in 1989 posted double-digit sales gains over the year before, six others saw sales decline—most due to a cutback in stores.

What remains significant is the extent to which the industry continues to expand, not so much with more stores but with larger stores.

Lowe's, for instance, added just 10 new stores (net) last year, yet actually opened 1.2 million square feet of new retail space. Pergament ended the year with five fewer stores in 1989, but with 500,000 square feet more in total selling space. Home Depot, meanwhile, opened 2.1 million square feet of selling space with 22 new outlets. That's equivalent to 68 Channel Home Centers or 207 hardware stores in one year.

The emerging information from the Census of Retail Trade also implies home center sales growth has far outstripped store growth alone:

	Home Centers/ LBM Dealers (SIC 521 only)	Hardware Stores (SIC 525)
Stores:		
1987	27,497	20,059
1982	26,187	20,922
Change	+5.0%	−4.3%
Sales:		
1987	$56.0 B	$11.0 B
1982	$31.7 B	$ 8.7 B
Change	+76%	+27%
Workers:		
1987	379,984	137,860
1982	264,849	126,959
Change	+44%	+ 9%

Source: U.S. Census Bureau *NHCN* chart

It's hard to ignore: Not only are home centers and building material dealers dominating the market, but larger stores are leading the way.

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WORLD POWERS OF HOME IMPROVEMENT RETAILING

Among the many cross-cultural currents that are shaping and shrinking the planet we share, there is a growing similarity in the way people think about shelter. Improving a home has become a source of pleasure for consumers everywhere, who shop for merchandise in modern, well-assorted stores.

Today, the prospect of an integrated Europe and freedom in the East are adding new dimensions to this phenomenon.

In this special issue of National Home Center News, *the World Powers report explores these global trends and the annual Retail Scoreboard analyzes industry performance in the United States, which represents the largest share of the world market.*

Home center retailing reaches new frontiers at home and abroad

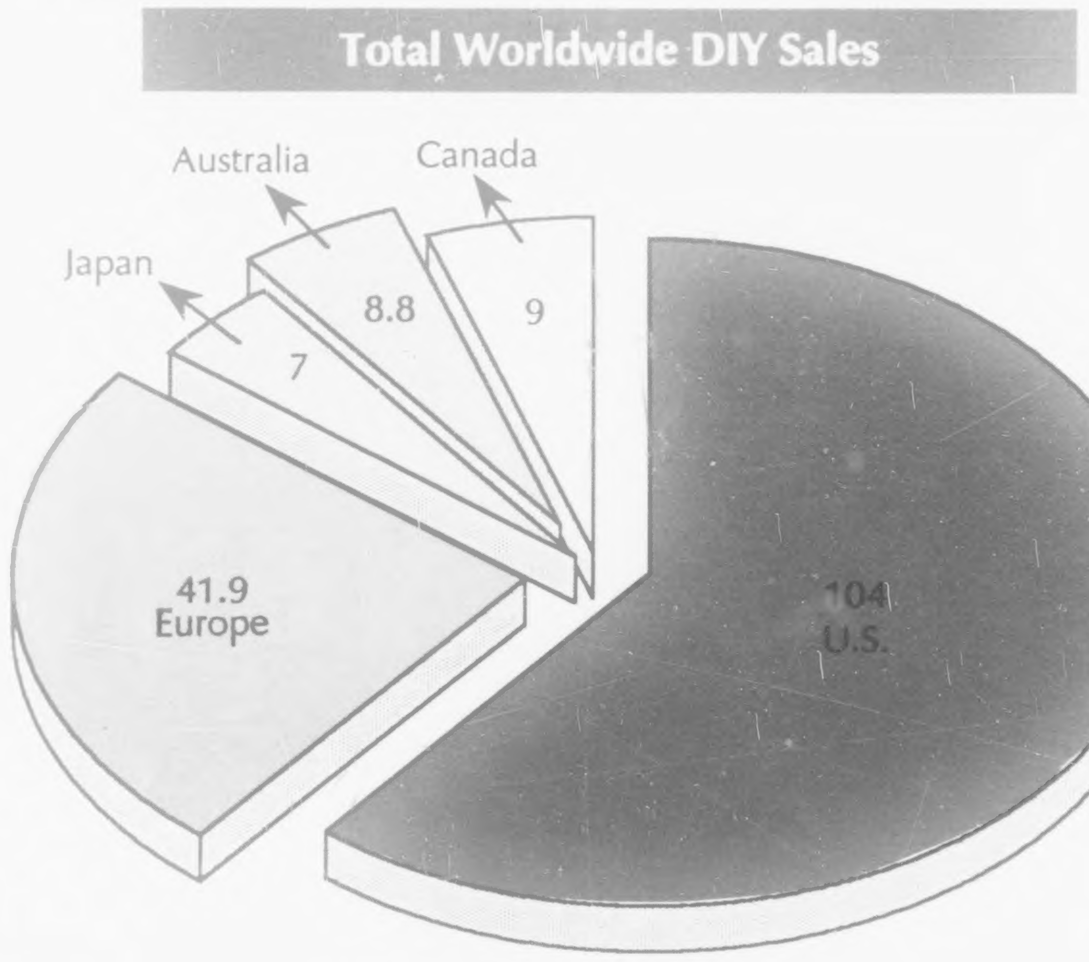
By Gary Ruderman

INTERNATIONAL REPORT — The world is changing both geopolitically and, in a narrower but related sense, in international home improvement retailing.

Just six months ago, the Berlin Wall was a long-standing symbol of oppression. At the International Hardware Fair, held this past March in Cologne, mockups of the wall were being used as marketing props to sell hammer drills.

Several days later, the first western-style home center debuted in East Germany. And now, retailers and manufacturers are setting their sights, cautiously, on the unknown and untapped Eastern Bloc nations.

The anticipation of a "new" unified Europe by 1993—with 340 million people and $4 trillion in buying power—has caused unanticipated excitement. New frontiers for home center retailing are opening in Portugal and Spain (*see other story, page 23*), which to this point have been virgin territories.


Total Worldwide DIY Sales

Figures shown are in U.S. dolllars (billions).
Source: Mintel, 1988 research; Commerce Department
NHCN chart

Worldwide impact

The changes are not happening in Europe alone, however. Australian shoppers are turning away from neighborhood shops and flocking instead to home centers located in shopping malls. In the United States, the phenomenon of Home Depot has become a role model for do-it-yourself retailers worldwide who see the Atlanta chain's decade-long ascent from a single-unit company to America's largest chain and the largest globally.

Total worldwide home improvement retail sales hit the $170 billion level last year, by *NHCN* estimates. And for the first time, it appears that everyone's business is impacted by global, rather than local, crosscurrents.

Some of the trends include family ownership of stores giving way to corporate and multinational control. Old rivals are joining to explore new markets. Trends like niche marketing, new to the U.S., are a way of life for retailers in Great Britain's $7 billion market. Conversely, store designs in Europe and N. America are so closely aligned that Home Depot's warehouse "look" can now be found in German and Spanish home centers.

European changes

Nowhere are these global currents blowing more strongly as they are in the amalgam of 12 countries that comprises the European Community. As borders disappear, the free-flow of goods makes Europe more of a single market.

"The customer is the same in Italy, France, Germany and England," said Eric Goullard, director of operations for the French-owned Castorama store in Milan, Italy. "[He's] looking for service and information; for everything to do the job."

But national tastes do not always translate across all borders. In the last five years the number of multinational joint ventures has skyrocketed. A retailer in one country looks to a partner in a second country with market knowledge willing to share the risks and reap any rewards.

If any single company is emblematic of the multi-nation trend, it is GB-Inno-BM of Belgium. GB Group's specialty retail division is today global, with holdings and outright ownership of seven companies and an estimated 470 stores in five countries which last year produced $2.35 billion in sales, making GB-Inno the 4th largest do-it-yourself retailer in the world.

"There will be more combinations," observed Manfred Maus, president of Germany's OBI chain, which was the first company to open a store in Eastern Europe. "This is a way of getting more international."

Another is through centralized buying, an idea that's sweeping across America and Europe. The Interlink Group, an information consortium of dealer-owned wholesalers from 17 countries, is making consolidated, worldwide buys, according to Walter Hachborn, president of Canada's Home Hardware Ltd. buying group.

The GB Group, with operations in Belgium, the U.S., France, Spain, Portugal and the U.K., is already seeking pan-European price quotes from its

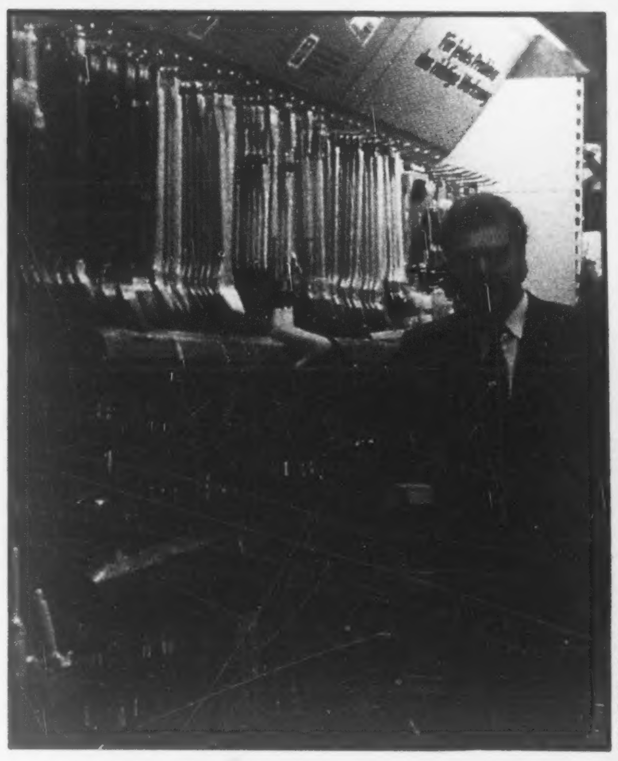
(Continued on page 26)

POWERS

The potential of "1992" drew attention to the less mature DIY markets of Spain and Italy. With the collapse of Communism eastward expansion is also likely.

Gaetano Porcaro (left), managing director, and Francesco Dossi, sales director, of Italy's Brico Centre (above), which last year gained sales of $70 million from 13 stores, plan to expand throughout Italy during the next five years, with 20 company outlets and 70 franchises.

1.	The Home Depot, *U.S.*	2,759	118	23.7	88,000
2.	Lowe's Cos., *U.S.*	2,651	306	8.7	30,000
3.	Canadian Tire, *Canada*	2,497	414	6.0	NA
4.	Brico GB, *Belgium*	2,347	470	5.9	45,800
5.	Payless Cashways, *U.S.*	2,004	195	10.3	27,000
6.	Builders Square, *U.S.*	1,800	142	12.7	80,000
7.	Castorama, *France*	1,600	149	10.7	65,000
8.	B&Q, *Britain*	1,374	265	5.2	25,000
9.	Hechinger, *U.S.*	1,230	107	11.5	60,000
10.	HomeClub, *U.S.*	1,072	58	18.5	100,000
11.	Asko, *Germany*	1,047	137	7.6	30,000
12.	Wickes, *U.S.*	1,000	195	5.1	9,000
13.	Beaver Lumber, *Canada*	875	189	4.6	15,000
14.	Texas, *Britain*	842	214	3.9	32,250
15.	OBI, *Germany*	818	188	4.5	27,500



NHCN photos

Robert Guss, in a West Berlin OBI store, is leading the company's expansion into East Germany, where the selection of home improvement merchandise is limited, as suggested by the assortment of tools in this outlet near Alexanderplatz, the shopping center of East Berlin.

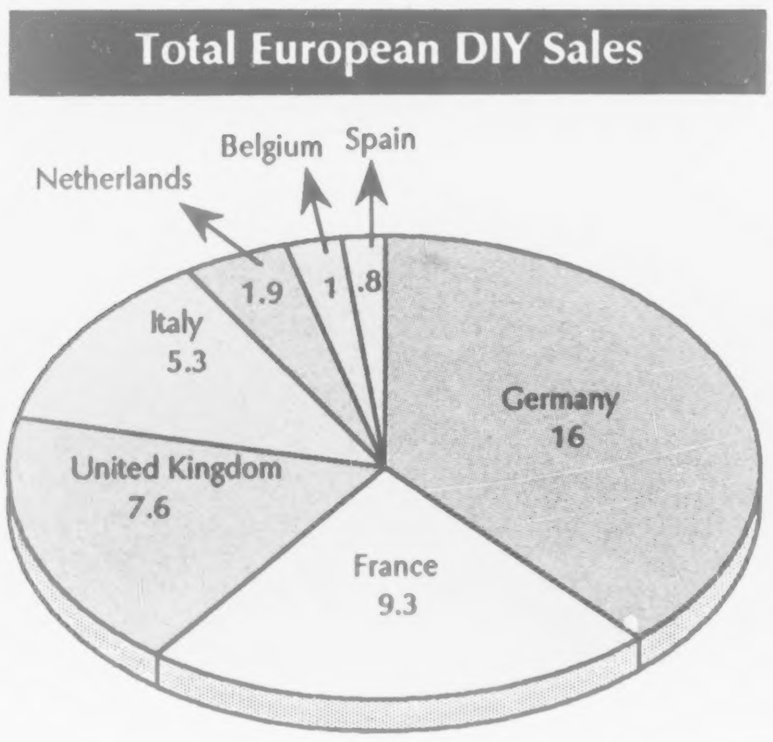
Do It Yourself

Bricolage

Doe Het Zelf

Selbermachen

Hagalo Usted Mismo



Figures shown are in U.S. dollars (billions).
Source: Mintel, 1988 research NHCN chart

Karwei Dutch

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WORLD POWERS

Home centers find Spain is no longer taking a siesta

By an NHCN staff editor

INTERNATIONAL REPORT — Spain used to be a market that would make a California retailer cry.

Small dealers there closed their stores for two hours each afternoon. Large dealers carried meager assortments. Pricing was a joke.

But that was three years ago.

Since 1987, when several prominent chains began opening units, Spain, as part of a southern European market that includes Italy and Portugal, has emerged as the growth area for home improvement business. And now it is a new focal point of European DIY retailing.

A new market

Spain still lags behind other southern European countries in home improvement sales. Last year the Italian market garnered about $6.5 billion in sales, according to an estimate by Gaetano Porcaro, managing director of retailer Brico Centre in Milan. That's close to 10 times the $770 million Spanish home improvement dealers are estimated to have generated in 1988, according to Mintel International in London.

The research group projects that the Italian market will post 20 percent annual gains in DIY sales eventually, and others point to Castorama's opening one of its units in Milan in 1989 as proof of the attractiveness of the country.

But for now, Italy's older, better-developed retail trade is more fragmented. According to the Italian publishing group EDI Pubblicita, Italy's market is dominated by 20,000 "mom and pop" stores selling hardware, paint, wallpaper and flooring stores. The country is home to just 35 chain-owned and 60 to 70 independent home centers.

Like its lesser developed compatriot Portugal, Spain is the target for international expansion by several of Europe's larger companies.

As markets like Belgium, Great Britain and Holland reach saturation points, DIY chains are covetous of Spain's 80 million inhabitants, half of whom are German and British property owners.

Rapid changes

Three years ago, Spaniards got DIY information and products from just two places: tool and wood sections in large department stores, or local *ferraterrias* (hardware stores) in narrow store fronts. The *ferraterrias* traditionally close two to three hours every afternoon for *siesta* and offer little customer assistance, according to shoppers in and around Barcelona.

Slickly merchandised DIY sections, ranging from 1,500 to 10,000 square feet, can be found in department store chains such as Pryca, Continente and El Corte Ingles. But pricing is far less competitive than one would find in the U.S. or more developed European markets.

A Black and Decker glue gun, for example, that costs from $19.50 to $27.70 at department stores like Continente runs to $31.85 at a *ferraterria*. Retail margins can run as high as 60 percent on hardware, according to Pablo Renãga Sykes, sales manager of Barcelona hardlines distributor Saint Genis S.A. He believes, however, that as home centers proliferate, margins will eventually plummet.

New players

Sensing that Spain's stores lack both service and selection, DIY chains from Belgium, Germany and France have set up subsidiaries in Madrid and the area around Barcelona. From just two home centers in 1988, there are eight today and another five are planned by year end, including the first entrant from the U.K. Some European home center officials feel the Spanish market could grow to as many as 80 to 100 home centers in five years.

The first entrant into Spain in 1988 was AKI, a joint venture between a Spanish investment group, a shopping center owner allied with France's Castorama home center chain and Belgium's GB Group, which has majority stakes in the Scotty's, Handy Andy and Central Hardware chains in the U.S., and the HomeBase chain in England.

A year later Bauhaus, the German chain, opened a unit in Barcelona. Then France's Leroy Merlin chain opened in Madrid, quickly followed this April by one French Castorama store in the same market. By year end, Britain's HomeBase will be in Spain.

A hard sell

After Spain, Portugal is viewed as the next country to be cultivated by Europe's home center chains. In July, the first AKI store opened in Lisbon.

In Spanish, "do-it-yourself" is *hagalo usted mismo*. While Spaniards know the term, its application in the retail field is only beginning.

Home center operators realize they have to educate consumers through advertising on product, price and installation.

Most consumers, primarily renters and owners of very old homes, are first time buyers and are said to be willing to make big ticket purchases. But according to Bernard Danze, director of merchandising for AKI, only 6,000 people visit a typical home center a week, about half the usual weekly store traffic in the U.S.

Spanish consumers long relied on tradesmen for home improvement projects. But in the last few years contractors have been too busy with new housing to do homeowner jobs like room additions.

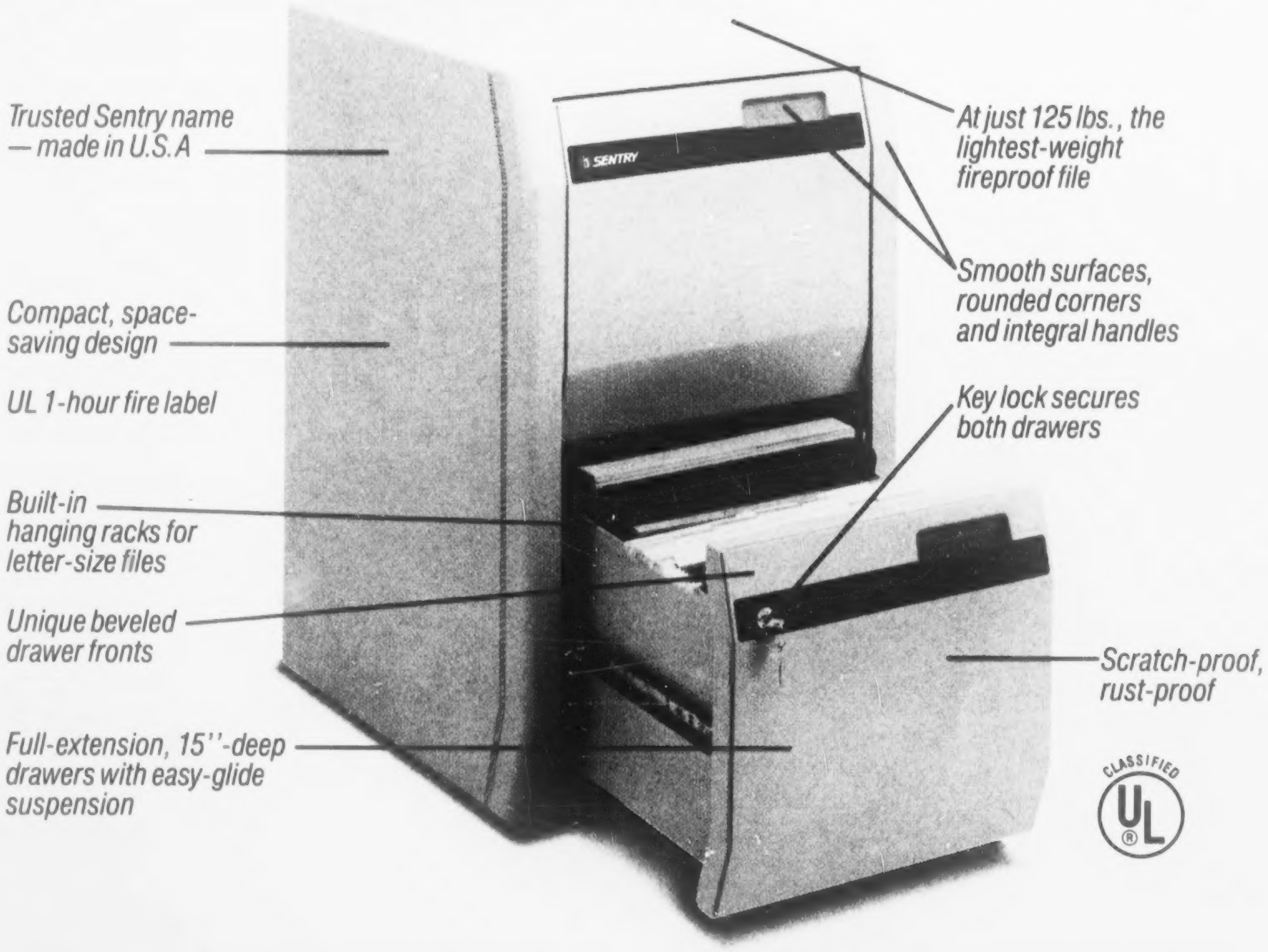
So to help homeowners to understand how to do the work themselves, displays in DIY stores feature cut-away mockups of houses exposing systems like HVAC, electrical, plumbing and insulation to show how products are used.

Delivery and installed sales are foreign ideas to this southern European market. To compensate for lack of delivery the AKI chain rents shoppers a beatup delivery truck. ◆

NHCN photo

Since 1987, when several prominent chains began opening units, Spain has emerged as the growth area for home improvement business.

Looks aren't everything.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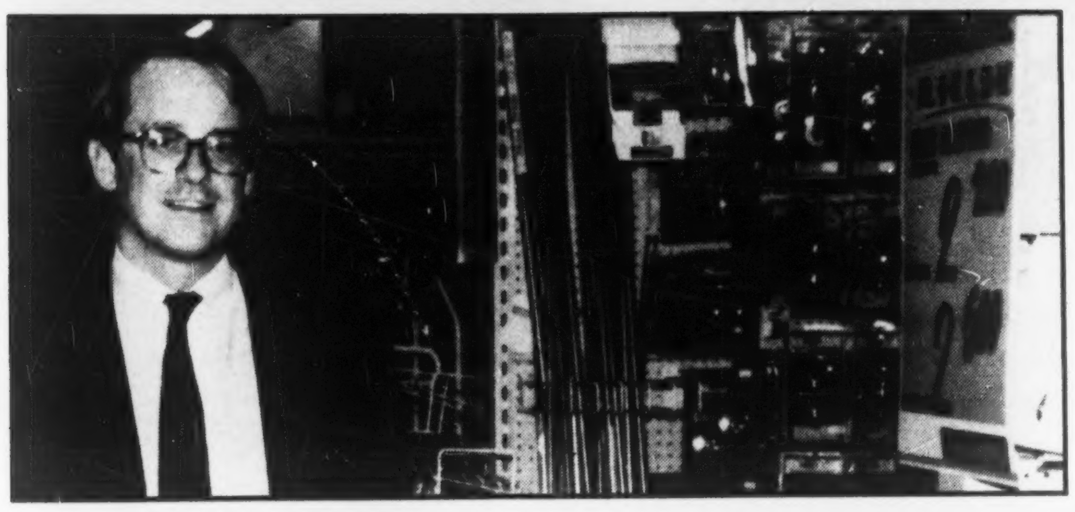

Eric Goullard, director of operations for the French-owned Castorama in Milan, Italy. NHCN photo

Retailers set their sights on untapped Eastern Bloc nations

(Continued from page 14)

suppliers, according to Michael Goethals, director of Belgium's Brico chain, which is owned by GB.

Manufacturing fallout

These changes in dealer buying and pricing can be a rude awakening for manufacturers.

For instance, the U.K.'s B&Q chain opened its first distribution center this year, which reduced its demand for direct shipment and increased its demand for lower prices from suppliers, according to published reports.

Corner Joints, a hardware supplier which counted B&Q as its largest account, closed its doors in April because it couldn't take the decline in revenue from its direct ship days.

"Manufacturers who have 25 percent of the British market and no foreign sales may look at another company with just 2 percent of the British market as not a competitive factor," said Colin Petty, editor of England's *DIY Week*. However, the surprise, according to Petty, is that the second firm "may have 10 percent of the European market."

Major manufacturers already treat Europe as one market, he said, regardless of packaging, language or currency. Goullard of Castorama points to combinations like the recent acquisition of an Italian partner by France's largest electrical supplier as evidence of this. In the U.S., domestic power tool manufacturers don't need to be reminded how Japan's Makita Corp. reshaped the American market in the early and mid 1980s.

And although small- and medium-sized companies lag behind giants like Black & Decker and Stanley Hardware in establishing off-shore companies, exporters are looking to Europe in increasing numbers— witness the 77 U.S. firms at the world's largest hardware trade fair in Cologne last March, up from 22 just four years ago.

Distribution gains favor

The global interest among retailers and manufacturers in international expansion apparently is good news for wholesalers that are gaining market share in several countries.

In Australia, for instance, Jim Allan of the *Australian Hardware Journal* states that distribution jobbers are gaining in popularity by offering display services, co-op and point-of-sale merchandising and travel incentives.

A recent meeting of the world's leading cooperative wholesalers found warehouse sales to the DIY sector in all of Europe jumped to 85 percent from 60 percent 10 years ago, according to Martin Elliott, marketing director for Home Hardware Southwest, a co-op in the U.K.

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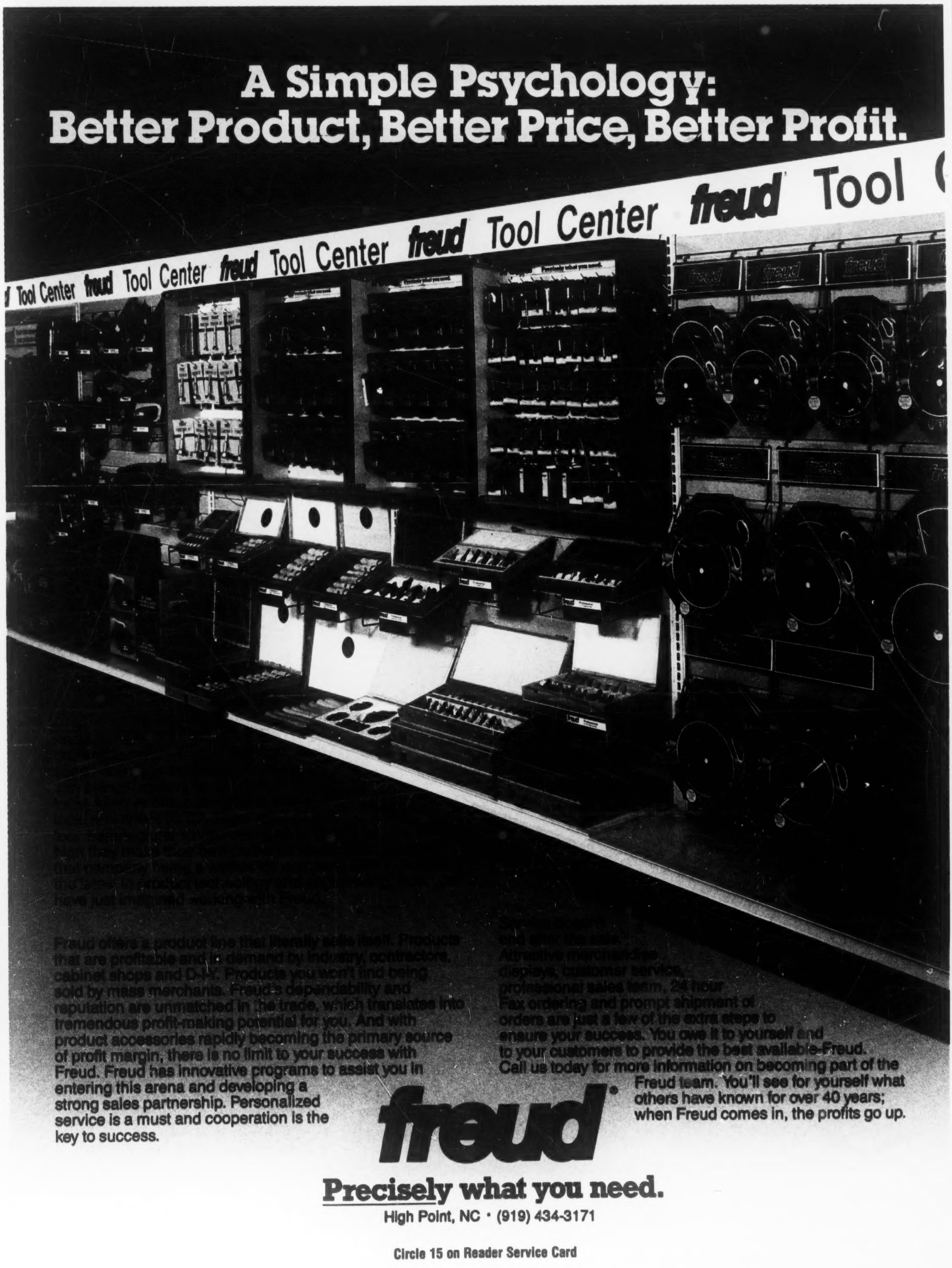

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WORLD POWERS

International Home Improvement Retail Leaders

European home centers prepare to take a gamble on Italy

By an NHCN staff editor

INTERNATIONAL REPORT — As DIY retail powers of northern Europe cross national borders in search of future growth opportunities, many are looking south to Italy, a market about to happen—maybe.

Castorama, France's largest home center chain, opened its first Italian store last year in Milan and plans to open a second in July. Germany's OBI is also exploring possibilities there.

But after decades of battling for market share against each other and the hypermarkets, Europe's leading DIY chains may face their toughest competition yet in Italy.

"People will accept DIY, but slowly," said Gaetano Porcaro, managing director of Brico Center, which operates 13 home centers, mostly in the northern part of the country.

"People would rather relax than work."

Very little chain store presence

Besides a moderate climate that makes outdoor recreation, rather than home improvement, the weekend activity of choice, a relatively low level of home ownership mitigates against booming fix-up sales. An abundance of people skilled in crafts also makes DIY less necessary.

And if these factors weren't enough to discourage chain operators, add the Italian preference for shopping at small specialty outlets rather than super stores.

Still, Porcaro and others are betting that Italians, too, can learn to love spending weekend mornings on checkout lines and afternoons installing shelves.

These retailers sense great opportunity in a market estimated at $8 billion, which is fairly sizable in a country of 57 million people, where home improvement retailing remains thoroughly fragmented.

According to EDI Pubbliciata, a trade publishing company based in Milan, there are only about about 35 home center stores affiliated with chains in all of Italy. The majority of Italian home improvement retail sales moves through 60 to 70 independently owned home centers, 300 mass merchants, 4,000 paint and wallpaper specialists, 12,000 hardware stores, 4,000 flooring outlets and, perhaps, 500 garden centers.

Porcaro's plans for exploiting this fragmentation call for opening 20 new company stores and 70 franchises in the next five years, extending the Brico Center's presence to both the middle of the country and the south. He has the backing of corporate parent Rinascente, a $3.5 billion distribution giant.

Other Italian DIY chains are also emerging, but are still nascent. Brico opened its first store two years ago. Last year, another company, Brico Scia, opened its first store. These two companies, along with a third called Mr. Brico, reportedly currently operate three stores apiece.

Adjusting to the market

For now, the most extreme effort to reshape the Italian market belongs to Castorama, whose 45,000-square-foot store in Milan is about half the size of its French prototype, but big for Italy. The store carries 38,000 stockkeeping units, which is more than twice Brico Center's selection.

The company is making other adjustments required in transplanting a retail idea in foreign soil. Eric Goullard, who runs Castorama's Italian operation, may be the perfect person for the job. Although born in France, he spent his entire childhood and early adult years in Italy and therefore understands and is sensitive to both cultures.

When the Milan store opened, 70 percent of the merchandise was Italian; that level has increased to 85 percent. Store hours were originally similar to those in France. Now the Milan outlet closes between 12:30 p.m. and 2 p.m. for lunch. In fact, 60 percent of weekday sales happen between 5 p.m. and 8 p.m., Goullard said.

Perhaps Castorama's greatest adjustment since entering Italy was a change in ownership. The Milan store opened as a joint venture with Euromercato, a hypermarket owned by an Italian media conglomerate, Finivest. Castorama had a two-thirds share of the deal, which ended last month with the French company in complete control.

That development, and Castorama's expansion plans, seem to underscore its commitment to the Italian market

The next Castorama store, which is set to open July 18 in Bergamo, will be 60,000 square feet in size, one third larger than the unit in nearby Milan. Two more stores are planned for 1991.

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Rank 1989	Company	Sales $ Millions (U.S.) 1989	Sales $ Millions (U.S.) 1988	% Change 1988-1989	Stores 1989	Stores 1988	Showroom sq. ft. Store avg. 1989	Showroom sq. ft. Store avg. 1988
France								
1	**Castorama,** Lille	**1,600**	1,175	36	**149**	88	**65,000**	65,000
	Castorama	*1,244*	*891*	*40*	*89*	*28*		
	OBI	*356*	*284*	*25*	*60*	*60*		
2	**Leroy Merlin,** Saint Jean DeLa Ruelle	**801**	712	13	**53**	46	**108**	
3	**A.N.P.F.**	**418**	377	11	**230**	238		
	Mr. Bricolage	*374*	*337*	*11*	*196*	*210*	*12,000*	
	Bricotrue	*33*	*30*	*10*	*30*	*25*	*5,000*	
	Amazonia	*11*	*10*	*10*	*4*	*3*	*22,000*	
4	**Bricomarche,** Paris	**409**	267	53	**200**	134	**13,000**	13,000
5	**BHV Bricolage,** Paris	**356**	303	17	**21**	21	**59,000**	59,000
6	**Euroloisirs,** Bondoufle	**231**	285	−19	**59**	88	**16,000**	16,000
7	**Bricogami,** Paris	**176**			**90**			
	B3				*50*		*14,000*	
	Pictoral				*14*		*43,000*	
	Eurodori				*10*		*21,500*	
	Projet				*3*		*21,500*	
	Independents				*13*		*21,500*	
8	**Bricaillerie,** Le Pontet	157	134	17	**66**			
	Bricofrance		*54*		*38*		*14,000*	
	Bricaillerie		*80*		*28*		*30,500*	
9	**Bricosphere,** Paris	**142**			**60**		**11,000**	
10	**Briker,** Govesnou	**120**	151	−21	**20**	21	**54,000**	54,000
Germany								
1	**Asko,** Saarbrucken	**1,047**	945	11	**137**	127		
	Praktiker	*550*	*420*	*31*	*54*	*51*	*37,400*	*35,000*
	Extra	*150*			*30*	*28*	*28,400*	
	Esbella				*2*	*2*		
	Realkauf				*24*	*20*	*31,200*	*31,300*
	Continent				*3*	*3*		
	Massa				*24*	*23*		
2	**Tengelmann** *(OBI),* Wermelskirchen	**818**	681	20	**188**	179	**27,500**	26,500
3	**Bauhaus**	**718**			**114**	103		
	Bauhaus	*574*	*498*	*15*	*89*	*85*	*36,000*	*35,500*
	Bauhaus(Austria)	*144*			*25*	*18*		
4	**Co-op** *(plaza bau & hobby),*	**315**	289	9	**106**	103	**20,900**	19,800
5	**Max Bahr** *(Bahr),* Hamburg	**311**	263	18	**46**	43	**33,500**	29,300
6	**Metro,** Nurnberg	305	288	6	**41**	40		
	Metro				*14*	*14*		
	BLV				*18*	*17*		
	Meister				*5*	*5*		
	Huma				*4*	*4*		
7	**Stinnes** *(Stinnes),* Stuttgart	**294**	270	9	**60**	57	**22,500**	22,500
8	**hagebau,** Soltau							
	hagebaumarkt	*269*	*233*	*15*	*113*	*104*	*16,600*	*16,100*
	haugebaushop			*35*	*35*		*3,500*	*3,500*
9	**Interpares** *(Interpares),* Karlsruhc	**269**	202	33	120	113	**13,700**	13,700
10	**Hornbach** *(Hornbach),* Barnheim	**215**	190	13	**22**	21	**55,000**	52,300

Sources: bau & heimwerker markt/bricolage service

Currency Conversion rates for following countries:
France $1 = 15.61 Francs
Germany $1 = 1.67 Marks

Source: *NHCN* Research
NHCN Chart

Census Methodology

Information presented in the World Powers chart on this page and page 36 was obtained several ways:

- The trade publication *bau & heimwerker markt* provided material about West German companies;
- French market data came from *bricolage service*, a trade publication;
- For other countries, *National Home Center News* contacted companies directly by telephone or fax.

The following sources also provided information that appeared in stories or was used as background: Nielsen, Holland; *Vakblad MIX Magazine*; The Netherlands Hardware Association; *DIY Superstore*, Oxford, and *DIY Week*, Tonbridge, England; *Dobbit DIY Magazine*, Varsenare, Belgium; Mintel Research, London; *Australian Hardware Journal*, Victoria.

WORLD POWERS

Rank 1989	Company	Sales $ Millions (U.S.) 1989	Sales $ Millions (U.S.) 1988	% Change 1988-1989	Stores 1989	Stores 1988	Showroom sq. ft. Store avg. 1989	Showroom sq. ft. Store avg. 1988	SKUs store Average 1989	SKUs store Average 1988	Employees 1989	Employees 1988
Belgium												
1	**Brico G.B.,** Brussels	351	335	5	96	90	32,292	32,292	30,000	25,000	1,430	1,400
2	**Bricoman,** Chatelinean	65	49	32	3	2	53,820	53,820	50,000	50,000	170	120
3	**Bricosphere,** Nivelles	18	0		11	0	9,149	0	12,000	0	55	0
4	**Orga,** Brussels	6	0		6	0	10,800	0	16,000	0	13	0
Canada												
1	**Canadian Tire,** Toronto	2,497	2,239	12	414	408			45,000	45,000	4,000	4,000
2	**Beaver Lumber,** Markham, Ontario	875	929	– 6	189	191					2,303	2,432
3	**Cashway Building Centres,** Mississauga	251	233	8	62	61	10,600	9,500	14,300	13,500	1,836	1,632
4	**J. Pascal,** Montreal	176	176	0	25	25	30,000	35,000			2,783	2,938
5	**Groupe Val Royal,** Montreal	129	133	– 3	13	14	37,500	37,500	22,000	22,000	1,045	1,000
6	**Revelstoke,** Langley, B.C.	129	108	19	28	28	25,000	25,000	25,000	25,000	800	750
7	**Lumberland Building Materials,** Burnaby, B.C.*	104	90	16	16	15	16,000	16,000	15,000	15,000	700	650
8	**Totem Building Suplies,** Calgary	58	46	24	8	8	15,000	13,000	10,000	8,000	320	300
9	**Lansing Buildall,** Toronto*	50	46	8	7	7	20,000	20,000	13,000	13,000	1,000	1,000
Great Britain												
1	**B&Q plc,** Southampton	1,374	1,266	9	265	238	38,900	38,700	25,000	25,000	13,634	13,732
2	**Wickes plc,** London[1]	1,123	593	89	198	74	27,500	27,500	3,000	3,000	5,121	2,871
3	**Texas Homecare,** Wellingborough	842	683	23	214	198	32,250	31,000	20,000	20,000	10,380	9,170
4	**Payless DIY,** Sevenoaks* **A.G. Stanley,** Chesire*	384 255	373 250	3 2	106 460	98 450	24,500	23,000	25,000	22,000	4,100	4,000
5	**Do-It-All,** West Midlands*	365	354	3	121	105						
6	**Homebase,** Surrey	324	283	15	55	47	25,736	26,065	26,500	22,400	3,614	3,572
7	**Great Mills,** Bristol	271	238	14	86	74	34,500	31,250	22,700	22,000	3,200	2,800
8	**Wilkinson Hardware,** Nottinghamshire	162	133	22	85	78	6,000	5,320	10,000	7,500	1,867	1,629
9	**J.H. Leeke & Sons,** Pontyclun	64	57	12	3	3	112,000	112,000	33,000	33,000	440	380
10	**Robert Dyas Ltd.,** Croydon	39	37	7	38	37	3,750	3,500	8,500	8,000	465	439
Holland												
1	**Gamma,** Bunschoten*	234	217	8	90	87	26,910	26,910	14,000	14,000	2,000	1,933
2	**Praxis,** Diemen[2]	220	177	24	51	41	26,910	26,910	18,000	18,000	800	650
3	**Super doe,** Utrecht	148	NA	NA	12	11	31,000	31,000	60,000	60,000	320	250
4	**B&B Boerenbond,** Veghel[3]	122	108	13	37	34	10,764	10,764	10,000	100,000	460	400
5	**Formido,** Utrecht	81	68	20	50	47	16,146	16,146	12,000	12,000	350	329
6	**Karwie,** Nieuwegen	78	62	25	50	39	21,528	21,528	15,000	15,000	500	500
7	**Bouwvaria,** Weese	49	42	15	23	20	20,021	1,937	19,000	18,750	201	180
8	**Big Boss,** Barneveld[4]	33	30	11	20	18	15,100	15,100	12,000	12,000	100	90
Spain												
1	**AKI,** Barcelona	26	10	160	4	2	44,939	44,939	25,000	25,000	270	270
2	**Bauhaus** (Hagalo S.A.), Barcelona[5]	5	0		1	0	64,584	0	40,000	0		
3	**Servicio Estacion S.A.,** Barcelona				6	6						

* *NHCN* Estimate

[1] 1989 sales and store count includes Malden Timber, which was acquired by Wickes in October of 1988. The 1988 sales figure includes the three months of Wickes ownership. There are 76 Wickes stores, 31 of which are located in Holland, Belgium and France.

[2] This company also has 18 franchised dealers whose sales are not included in its total

[3] This compaany also has 90 franchised dealers whose sales are not included in its total

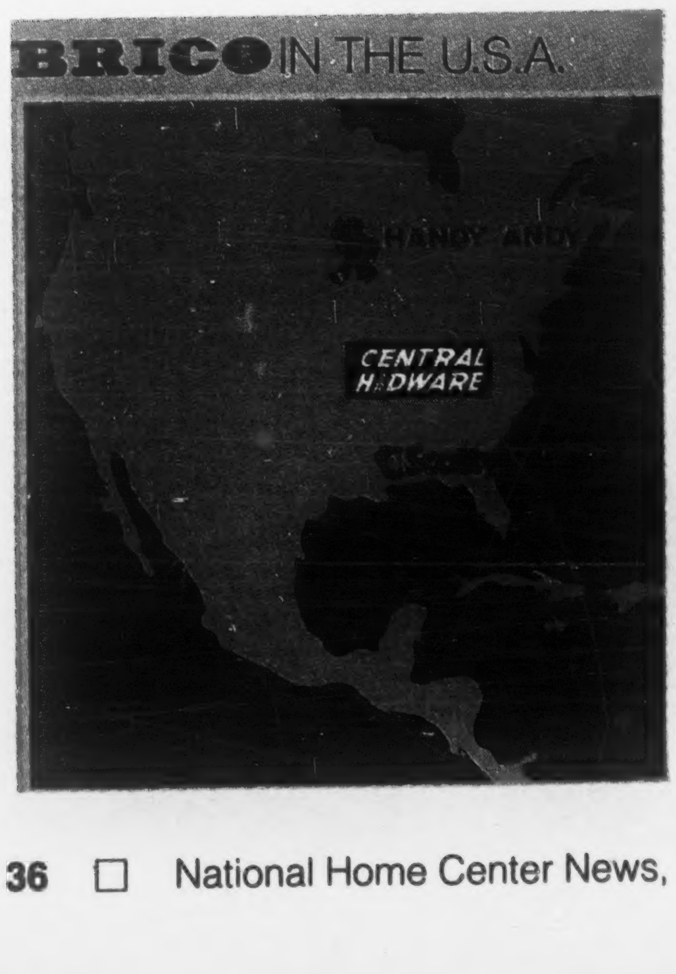
[4] Big Boss is also has 250 franchised hardware stores whose sales are not included in its total

[5] Owned by the Bauhaus chain, Manheim, W. Germany

Currency Conversion rates for following countries:
Belgium $1 = 34.59 Francs
Canada $1 = $1.16 Canadian dollars
Great Britain $1 = .6090 Pounds
Holland $1 = 1.88 Guilders
Spain $1 = 106.24 Pesetas

NHCN Research
NHCN Chart

Brico G.B. worldwide home center holdings



Brico Holdings	Sales ($ Mil. U.S.)	No. of Stores	Sales/ Store ($Mil. U.S.)	Avg. sq. ft./ Store
Scotty's	570	165	3.5	50,000
Handy Andy	420	52	8.1	68,000
OBI (France)	356	60	5.9	35,000
Brico	351	96	3.7	32,200
Homebase	324	55	5.9	25,700
Central	300	38	7.9	65,000
AKÍ	26	4	6.5	54,000
Totals and *Averages*	2,347	470	5.9	45,800

NHCN Research
NHCN chart

The growing internationalization of the home improvement industry is best characterized by the Belgium retail conglomerate GB-Inno-BM, which has stakes of various sizes in seven home center companies in five different countries.

BRICO IN EUROPE
OBI

WORLD POWERS

Alphabetical listing of International Companies

Belgium

Brico G.B.
Michael Goethals, CEO
2536-57-11 (phone)
2536-57-87 (fax)

Bricoman
Philippe Coene, General Manager
071-39-00-15 (phone)
071-39-09-73 (fax)

Bricosphère
Benoit Delvaux, Managing Director
67-21-81-64 (phone)
no fax

Orga
Wilfred Gisgang, CEO
2347-41-87 (phone)
2347-39-75 (fax)

Canada

Beaver Lumber
Jack Edwards, CEO
(416) 479-2255 (phone)
(416) 479-9607 (fax)

Canadian Tire
Dean Groussman
(416) 480-3000 (phone)
(416) 480-2612 (fax)

Cashway Building Centers
E.J. Barakett, CEO
(416) 672-6000 (phone)
(416) 672-6069 (fax)

Goineau-Bousquet
Luc Goineau, CEO
(514) 667-9770 (phone)
(514) 667-3141 (fax)

Groupe Val Royal
Pierre Michaud, CEO
(514) 849-8508 (phone)
(514) 849-2480 (fax)

J. Pascal
Sydney Pascal, CEO
(514) 878-5400 (phone)
(514) 878-5568 (fax)

Lansing Buildall
William C. Kitchen,Chairman
(416) 225-8844 (phone)
(416) 225-7490 (fax)

Lumberland Building Materials
The Delesalle Brothers, partners
(604) 294-1431 (phone)
(604) 294-5374 (fax)

Revelstoke Home Centers
Carl Grittner, CEO
(604) 888-4111 (phone)
(604) 888-1554 (fax)

Totem Building Supplies
Jimmy L. Thorogood, President
(403) 286-4666 (phone)
(403) 247-6501 (fax)

France

A.N.P.F.
Maurice Vax, CEO
38-43-50-00 (phone)
38-43-11-58 (fax)

BHV Bricolage
Jean-No–l Caron, CEO
42-74-90-00 (phone)
42-74-96-79 (fax)

Bricaillerie
Daniel Amar, CEO
90-32-92-00 (phone)
90-32-92-79 (fax)

Bricogagmi
Claude Doisy, CEO
42-06-83-83 (phone)
42-06-22-40 (fax)

Bricomarché
Currently no CEO
37-27-78-99 (phone)
37-24-62-60 (fax)

Bricosphere
Pierre Sole, CEO
44-50-21-33 (phone)
44-50-06-96 (fax)

Briker
Jean-Claude Le Bourdonnec, CEO
98-34-42-00 (phone)
98-02-14-33 (fax)

Castorama
Christian Dubois, CEO
20-95-19-17 (phone)
20-95-19-17 (fax)

Euroloisirs
Bernard Salvage, CEO
64-97-88-89 (phone)
60-77-17-36 (fax)

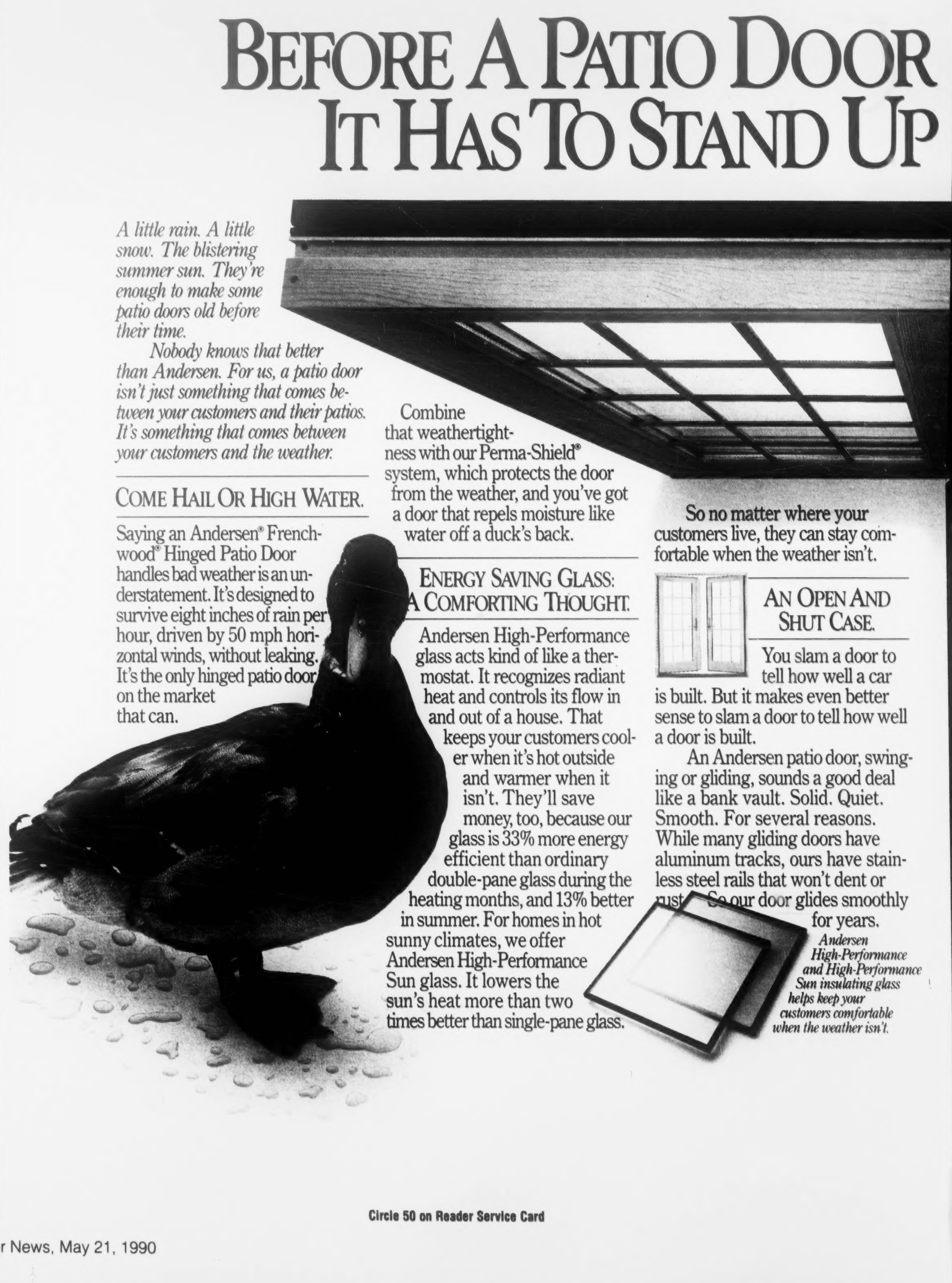
Leroy Merlin
Marc Deleplanque, CEO
20-05-73-00 (phone)
21-26-48-17 (fax)

Germany

Asko Deutsche Kaufhaus AG
The next 6 companies are Asko subsidiaries

Continent Hypermarkt
Herr Isländer, CEO
0511-21450 (phone)
0511-2145-475 (fax)

Esbella SB-Grosslager
Herr Isländer, CEO
0511-21450 (phone)
0511-2145-475 (fax)



BEFORE A PATIO DOOR
IT HAS TO STAND UP

A little rain. A little snow. The blistering summer sun. They're enough to make some patio doors old before their time.

Nobody knows that better than Andersen. For us, a patio door isn't just something that comes between your customers and their patios. It's something that comes between your customers and the weather.

COME HAIL OR HIGH WATER.

Saying an Andersen® Frenchwood® Hinged Patio Door handles bad weather is an understatement. It's designed to survive eight inches of rain per hour, driven by 50 mph horizontal winds, without leaking. It's the only hinged patio door on the market that can.

Combine that weathertightness with our Perma-Shield® system, which protects the door from the weather, and you've got a door that repels moisture like water off a duck's back.

ENERGY SAVING GLASS: A COMFORTING THOUGHT.

Andersen High-Performance glass acts kind of like a thermostat. It recognizes radiant heat and controls its flow in and out of a house. That keeps your customers cooler when it's hot outside and warmer when it isn't. They'll save money, too, because our glass is 33% more energy efficient than ordinary double-pane glass during the heating months, and 13% better in summer. For homes in hot sunny climates, we offer Andersen High-Performance Sun glass. It lowers the sun's heat more than two times better than single-pane glass.

So no matter where your customers live, they can stay comfortable when the weather isn't.

AN OPEN AND SHUT CASE.

You slam a door to tell how well a car is built. But it makes even better sense to slam a door to tell how well a door is built.

An Andersen patio door, swinging or gliding, sounds a good deal like a bank vault. Solid. Quiet. Smooth. For several reasons. While many gliding doors have aluminum tracks, ours have stainless steel rails that won't dent or rust. So our door glides smoothly for years.

Andersen High-Performance and High-Performance Sun insulating glass helps keep your customers comfortable when the weather isn't.

Circle 50 on Reader Service Card

WORLD POWERS

Extra Bau-und Hobby-Markt
Alfred Himmler, CEO
2421-4960 (phone)
2421-496-356 (fax)

Massa AG
Herr Schories, Chairman
06731-4900 (phone)
06731-44550 (fax)

Praktiker
Peter Walter Janz, CEO
0681-81-041 (phone)
0681-8104-261 (fax)

Real Kauf
Jügen Dreher, CEO
0511-21450 (phone)
0511 2145-345 (fax)

hagebau
Dr. K. Gerlach, CEO
05191 802-0 (phone)
05191 802-150 (fax)

Hornbach
Manfred Valder, CEO
06348-601 (phone)
06348-60200 (fax)

Interpares
Hermann Schneider, CEO
0721-75070 (phone)
0721-750776 (fax)

Max Bahr Holzhandlung
Peter Mohrle, CEO
040-20-20-1-0 (phone)
040-20-20-12-86 (fax)

Metro International
Herr Licht, CEO
0911-6-10-30 (phone)
No fax

Stinnes Baumarkt
Horst Herfert, CEO
0711-32003-0 (phone)
0711-32003-55 (fax)

Tengelmann(OBI Heimwerker)
Manfred Maus, CEO
02196-8601 (phone)
02196-86555 (fax)

Great Britain

Robert Dyas Ltd.
P. Dyas, Chairman
081-681-0311 (phone)
081-680-9760 (fax)

Wilkinson Hardware
B.K. Fairhurst
0909-731001 (phone)
0909-733996 (fax)

J.H. Leeke & Sons
Gerald Leeke, Managing Director
443-237700 (phone)
443-237595 (fax)

Texas Homecare
Ron Trenter, Managing Director
0933-679679 (phone)
0933-674352 (fax)

Homebase
D.B. Adriano, Managing Director
081-784-7200 (phone)
081-784-7755 (fax)

B&Q
Jim Hodkinson, CEO
703 256256 (phone)
703 256030 (fax)

Payless DIY Ltd.
Peter Dobson, CEO
0732-460000 (phone)
0732-456145 (fax)

Great Mills
M.A. Robertshaw, CEO
0761-416034
0761-418561

Wickes
Richard Clark, Chairman
1 631 1018 (phone)
1 637 1784 (fax)

Do It All
Rodney Buse, Managing Director
0384 456456 (phone)
0384 236851 (fax)

Holland

Super doe
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30-898-088 (phone)
no fax

B + B Boerenbond
A.F. Kieft, CEO
41-3082308 (phone)
no fax

Praxis
J. Van der Berg
20-5698422 (phone)
20-950878 (fax)

Big Boss
R. Deuster, CEO
34-2014398 (phone)
34-2092702 (fax)

Bauwvaria
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29-4019745 (phone)
29-4019323 (fax)

Formido
J.J. van der Jagt
30-438843 (phone)
30-440236 (fax)

Karwei
R. van der Ham, CEO
30-890934
30-885768

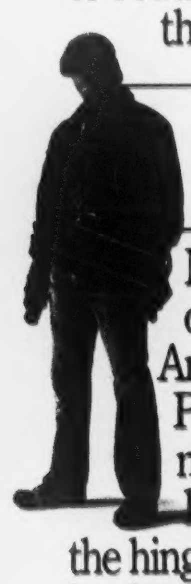
Gamma
H. Steenman, Chariman
34-9989211 (phone)
34-9987580 (fax)

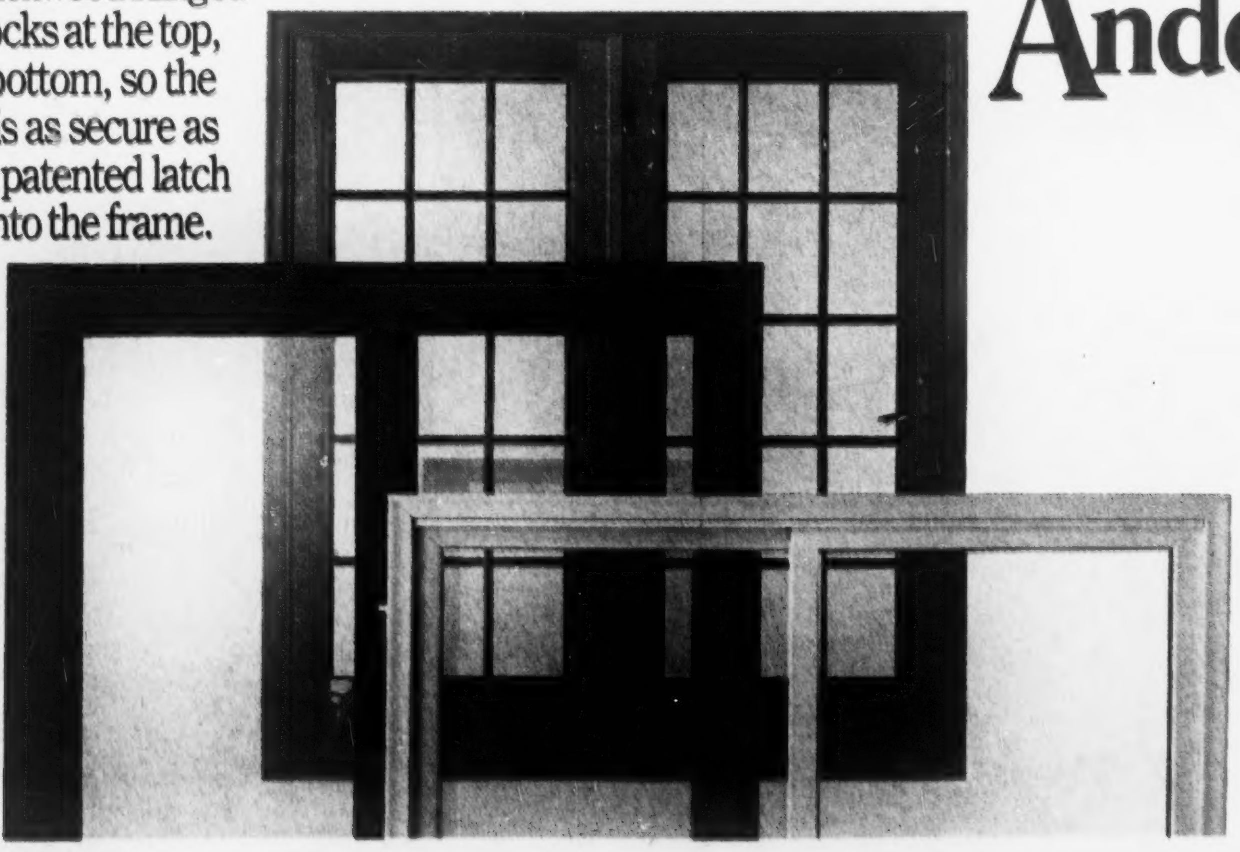
Spain

AKÍ
Bernard Danze, Director of Purchasing
3718-13-12 (phone)
3718-48-18 (fax)

Bauhaus
Christoph Bläse, Director
3032-51-54 (phone)
3422-35-83 (fax)

Servicio Estacion
3216-02-12 (phone)
no fax





CAN ENDURE FATHER TIME,
TO MOTHER NATURE.

Our rollers help, too. They're made with chromed ball bearings. The rollers on some gliding doors don't have bearings at all. We even use a "slippery" weatherstripping to reduce friction and enhance that bank vault effect.

ABOUT THAT "SECURE FEELING."

Most hinged patio doors lock only at the center. The Andersen Frenchwood Hinged Patio Door locks at the top, middle and bottom, so the locked side is as secure as the hinged side. Its patented latch hooks grip deeply into the frame. And when a door latches top to bottom like this, it stays true, it's more weathertight, and it resists warping.

SCREENS THAT WON'T BUG PEOPLE.

Some manufacturers put their screens on the inside of their patio doors. Think what that can mean on a warm summer night.

The patio door is open. The screen is closed. And most of the bugs within a three-county radius are attracted to the light in the house—clinging to the screen.

When it's time to close up the house and go to bed, the owners will have to open that screen to close the glass door. Which lets most of the bugs into the house with them.

With an Andersen patio door, the screen is on the outer track. So people can close the glass door without opening the screen. And without inviting any unwanted guests to spend the night.

For more information, see your Andersen distributor, or write Andersen Corp., Box 12, Bayport, MN 55003. We'll help you get your hands on and sell patio doors even Mother Nature can't touch.

Come home to quality. Come home to Andersen.®

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Andersen
AW
Windows · Patio Doors

Andersen

Top 350 U.S. retailers outrun home improvement industry growth in 1989

By Tim O'Malley

Like a long-distance runner with a muscle cramp, the U.S. retail home improvement industry broke stride last year, posting its slowest growth in seven years.

According to the U.S. Commerce Department, the industry had 1989 sales of $79.6 billion, representing an increase of only 1.5 percent over 1988 totals. In the previous year, the industry had 8.4 percent growth.

However, the top 350 firms on this year's *NHCN Retail Scoreboard* increased their volume by a respectable 5.5 percent in 1989, ringing up $34.7 billion and accounting for more than two-fifths of all building material and hardware store revenues.

Leading this year's pack was Atlanta-based Home Depot, which replaced Lowe's as the industry's sales leader. Another warehouse competitor—Fullerton, Calif.-based HomeClub—broke into the Billion Dollar Club.

Overall, the top 10 companies increased their sales by 11 percent to $14.8 billion. However, that growth—and the 7 percent gain among the top 100 firms—was slower than in previous years, as the industry as a whole endured depressed economies in the Northeast and South and a nationwide stagnation in home building.

The impact of these and other economic factors was most evident in the anemic sales of independent dealers operating three stores or less, even as a select group of smaller dealers made positive strides towards improving sales and profits (*see story, page 76*).

It was clear, though, that long-term survival required all retailers to re-evaluate how they went to market and what customers they wanted to pursue:

- The housing slump caused more lumberyards to court DIYers and big home centers such as Lowe's, Home Depot and Payless Cashways to go after remodelers;
- Niche selling, particularly in the areas of millwork and kitchen and bath, went from being "experimental" to a vital part of many retailers' operations;
- Retailers continued to be more "inventory turn" conscious, reviewing product lines more often to weed out slow movers and boost profits. More often than not, dealers opted to stock a broader range of high-margin home decor items;
- Physical growth took a number of forms, as dealers continued to add more selling space to existing units to hype up their productivity. Last year, the average size of stores operated by the top 350 companies increased by about 800 square feet to just under 18,000;
- Even though some companies continue to open new stores, adding units more typically occurred through acquisition, which only served to emphasize the ongoing consolidation of the home improvement industry.

Building slump impacts sales

With home building slumping, many of the industry's contractor-oriented yards had no choice but to turn to DIYers and remodelers for new business.

The plight of East Coast Lumber of East Hampstead, N.H., was an extreme example of the slump numerous dealers in the Northeast found themselves in during 1989 as homebuilding fell precipitously there.

East Coast's sales fell to $25 million last year from $53 million in 1988. That company was forced to close two of three units. Hoping to stem the problem, the independent went after retail sales and now gets 35 percent of its revenue from consumers compared to 18 percent in the 12 months previous.

Volatility at the top

Perhaps the company most affected by the home building situation last year was the 100-year-old Diamond Lumber, which sold several of its yards in 1989 to BMC West, and cited the home construction falloff as a factor behind its decision to sell the entire 60-store operation by this summer.

(Continued on page 90)

695
47
371
524
194
716
291
N. AKGULIAN

RETAIL SCOREBOARD

The NHCN TOP 350 RETAILERS

Rank 1989	Rank 1988	Company	Sales ($ Millions)		% Change 1988-1989	% DIY		Stores			Showroom sq. ft. Store avg.		SKUs store Average		Employees	
			1989	1988		1989	1988	1989	1988	proj. 1990	1989	1988	1989	1988	1989	1988
1	2	**The Home Depot,** Atlanta	2,759	2,000	38	85	85	118	96	150	88,000	86,000	30,000	30,000	17,500	13,000
2	1	**Lowe's Cos.,** North Wilkesboro, N.C.	2,651	2,516	5	62	57	306	296	311	20,324	17,104	18,500	16,000	15,300	14,800
3	3	**Payless Cashways,** Kansas City, Mo.	2,004	1,900	5	80	90	195	195	196	27,000	27,000	15,000	15,000	16,000	16,000
4	4	**Builders Square,** San Antonio, Texas*	1,800	1,600	13	70	70	142	133	152	80,000	80,000	26,000	22,000	16,500	15,000
5	6	**Hechinger,** Landover, Md.[1]	1,230	1,020	21	95	95	107	92	122	60,000	60,000	40,000	40,000	15,000	14,000
6	8	**HomeClub,** Fullerton, Calif.	1,072	835	28	100	100	58	46	70	100,000	100,000	25,000	25,000	7,500	6,000
7	5	**Wickes Lumber,** Vernon Hills, Ill.	1,000	1,200	−17	40	40	195	210	195	9,000	9,000	10,000	10,000	6,200	7,500
8	9	**Grossman's,** Braintree, Mass.[2]	801	768	4	80	80	157	246	NA	31,900	31,900	18,000	11,000	5,200	8,100
9	7	**84 Lumber,** Eighty-Four, Pa.	800	850	−6	40	40	334	369	NA	20,000	20,000	3,000	3,000	3,300	3,200
10	12	**Sutherland Lumber,** Kansas City, Mo.	726	660	10	75	75	92	85	95	27,000	22,000	18,000	15,000	3,200	2,900
11	13	**Menard's,** Eau Claire, Wis.	660	620	6	85	85	45	40	50	70,000	70,000	50,000	50,000	3,700	3,300
12	10	**Builders Emporium,** Irvine, Calif.	630	700	−10	95	90	108	119	108	35,000	35,000	25,000	25,000	6,000	7,200
13	11	**Channel Home Centers,** Whippany, N.J.	575	675	−15	95	98	90	161	NA	31,025	45,000	30,000	25,000	4,500	8,500
14	14	**Scotty's,** Winter Haven, Fla.	570	551	3	70	70	165	160	170	50,000	49,000	18,700	16,000	6,800	7,000
15	15	**Rickel,** South Plainfield, N.J.	503	503	0	100	100	50	51	50	42,000	42,000	28,000	28,000	5,500	5,812
16	16	**Pay 'N Pak,** Kent, Wash.	462	463	0	100	100	102	105	103	34,000	33,900	15,000	15,000	2,400	2,400
17	17	**Handy Andy,** Schaumburg, Ill.*	420	370	14	98	98	52	49	NA	68,000	68,000	25,000	25,000	4,500	4,500
18	19	**Lanoga,** Redmond, Wash.[3]	380	327	16	47	50	126	124	130	7,000	7,000	16,000	16,000	2,200	2,090
19	20	**Erb Lumber,** Birmingham, Mich.[4]	339	315	8	50	50	51	50	53	12,200	12,000	10,250	10,000	1,700	1,650
20	18	**Pergament Home Centers,** Melville, N.Y.	307	360	−15	100	100	35	40	39	60,000	40,000	48,000	40,000	3,300	3,000
21	22	**Moore's,** Roanoke, Va.	300	291	3	50	50	59	59	59	16,000	16,000	12,000	10,000	2,500	2,500
22	23	**Central Hardware,** Bridgeton, Mo.*[5]	300	280	7	100	100	38	38	38	65,000	65,000	40,000	40,000	4,200	3,500
23	26	**Ernst Home & Nursery,** Seattle	275	260	6	100	100	73	73	73	33,000	33,000	25,000	25,000	2,200	2,200
24	27	**Wolohan Lumber,** Saginaw, Mich.	272	258	5	50	52	48	45	52	24,800	23,000	9,000	8,000	1,690	1,600
25	21	**West Building Materials,** Atlanta	265	300	−12	50	50	65	68	68	45,000	45,000	20,000	20,000	3,000	3,000
26	24	**Diamond Lumber,** Dallas[6]	262	273	−4	20	20	56	64	0	7,300	7,300	8,500	8,500	1,100	1,500
27	25	**Carter-Jones Lumber,** Kent, Ohio	260	260	0	55	55	146	146	NA	8,000	8,000	8,000	8,000	2,000	2,000
28	28	**Orchard Supply Hardware,** San Jose, Calif.	250	250	0	80	80	33	31	35	40,000	35,000	45,000	45,000	3,200	3,000
29	29	**McCoy's,** San Marcos, Texas	243	216	13	70	70	90	86	94	15,000	15,000	7,500	7,500	1,050	1,000
30	32	**BMC West,** Boise, Idaho	198	166	19	20	25	21	20	30	10,000	10,000	12,000	12,000	1,000	930
31	30	**Gerrity Building Centers,** Meredith, N.H.	194	194	0	25	23	19	19	19	4,500	4,500	12,000	12,000	721	721
32	33	**Terry Companies,** Tarzana, Calif.	190	163	17	5	5	13	13	13	5,000	5,000	10,000	10,000	585	530
33	40	**Carolina Builders,** Raleigh, N.C.	187	122	53	5	5	15	11	22	1,800	1,800	6,000	6,000	700	500
34	37	**Dixieline,** San Diego	157	137	15	56	48	10	10	11	20,000	20,000	25,000	25,000	950	1,050
35	31	**Mr. Goodbuys,** Philadelphia	150	180	−17	95	95	15	17	12	75,000	75,000	40,000	40,000	1,300	1,800
36	34	**Miron Building Products,** Kingston, N.Y.	150	160	−6	15	15	12	12	12	30,000	30,000	NA	NA	830	830
37	39	**Meeks Building Centers,** Springfield, Mo.	150	122	23	40	40	27	27	29	14,000	14,000	14,000	14,000	600	500
38	35	**National Lumber,** Fountain Valley, Calif.*	140	152	−8	95	99	21	20	NA	60,000	60,000	24,000	24,000	1,000	1,300
39	38	**Western Lumber,** National City, Calif.*	140	135	4	18	50	5	10	5	5,000	7,500	6,000	8,000	475	650
40	41	**The Andersons,** Maumee, Ohio	135	120	13	34	34	6	6	7	120,000	120,000	55,000	50,000	1,500	1,400
41	42	**Copeland Lumber Yards,** Portland, Ore.	135	115	17	40	40	75	75	77	5,000	5,000	6,000	6,000	700	700
42	36	**Strober Organization,** Brooklyn, N.Y.	130	145	−10	10	10	12	12	12	15,000	15,000	16,000	16,000	450	500
43	48	**Westlake Hardware,** Lenexa, Kan.	113	97	16	90	92	54	48	54	22,000	22,000	35,000	35,000	1,200	1,200
44	46	**Foxworth-Galbraith,** Dallas	105	100	5	40	40	50	50	50	12,000	12,000	12,000	12,000	1,200	1,000
45	47	**Edward Hines Lumber,** Itasca, Ill.*	100	100	0	40	40	24	24	25	9,000	9,000	8,000	8,000	800	800
46	53	**Anderson Lumber,** Ogden, Utah	100	90	11	30	30	21	22	22	6,000	6,000	15,000	15,000	600	550
47	55	**Seigle's Home & Building Centers,** Elgin, Ill.	99	90	10	35	35	6	6	7	27,000	27,000	20,000	24,000	540	520
48	44	**Alexander Lumber,** Aurora, Ill.	98	107	−8	25	25	50	51	48	5,000	5,000	10,000	10,000	390	390
49	62	**A.C. Houston Lumber,** Wichita, Kan.	95	80	19	10	10	9	9	9	20,000	20,000	14,000	14,000	400	500
50	45	**Lloyd Home & Building Ctrs.,** Danbury, Conn.[7]	94	107	−12	75	75	17	36	0	13,000	13,000	12,000	15,000	470	1,000
51	50	**Lyman Lumber,** Excelsior, Minn.	91	91	0	5	5	4	4	4	2,500	2,500	NA	NA	390	450
52	56	**Valu Home Centers,** Buffalo, N.Y.	91	85	7	100	100	28	27	28	27,000	27,000	15,000	15,000	850	800
53	49	**ACO,** Farmington Hills, Mich.	90	91	−1	85	85	72	72	75	12,500	13,500	20,000	20,000	1,300	1,200
54	52	**Hill-Behan Lumber,** St. Louis	90	90	0	60	60	34	34	34	12,000	12,000	13,000	13,000	725	750
55	61	**Chase-Pitkin,** Rochester, N.Y.	90	80	13	95	95	12	11	12	48,000	48,000	30,000	30,000	970	870
56	43	**P.F. O'Connor,** Braintree, Mass.	89	108	−18	80	80	8	10	8	35,000	45,000	15,000	15,000	450	650
57	58	**Wolf Organization,** York, Pa.	89	84	6	30	30	32	30	33	1,500	1,500	3,000	3,000	230	210
58	59	**Stambaugh-Thompson,** Youngstown, Ohio	88	83	6	100	100	21	20	21	27,845	27,500	24,000	20,000	1,350	1,300
59	51	**Lampert Lumber,** St. Paul, Minn.	86	90	−4	65	60	41	44	41	12,000	12,000	13,000	13,000	750	750
60	64	**James Lumber,** Huntington Beach, Calif.*	85	80	6	5	5	1	1	1	4,200	4,200	NA	NA	NA	NA
61	66	**Seacoast/Pelican Building Centers,** Conway, S.C.	85	78	9	25	22	11	11	12	15,000	15,000	15,000	15,000	520	500
62	68	**Parr Lumber,** Aloha, Ore.*	85	75	13	25	25	9	9	NA	4,000	4,000	15,000	15,000	330	250
63	65	**General Building Products,** Medford, N.Y.	82	79	4	40	40	10	10	8	6,000	6,000	12,000	12,000	325	320

**NHCN* estimate

[1] Includes sales from Home Quarters Warehouse and Triangle Building Centers

[2] Continuing operations after selloff of Moore's and Grossman's NW.

[3] Includes sales from Lumbermen's, Spenards, and United Building Centers

[4] Includes numbers from DIY Warehouse

[5] Central Hardware was purchased by an investment group consisting of Handy Andy, Belgium's GB Group, and Chicago Real Estate firm J.M.B. Inc.

[6] Diamond Lumber expects to fully liquidate the company by summer 1990

[7] Lloyds discontinued operations in Feb. 1990

RETAIL SCOREBOARD

Rank 1989	Rank 1988	Company	Sales ($ Millions) 1989		% Change 1988-1989	% DIY 1989		Stores 1989		proj. 1990	Showroom sq. ft. Store avg. 1989		SKUs store Average 1989		Employees 1989	
				1988			1988		1988			1988		1988		1988
64	72	**Fagen's,** Verona, Pa.	**81**	71	14	**20**	25	**23**	15	25	**8,000**	8,000	**10,000**	10,000	**550**	475
65	57	**Builderway,** Greenville, S.C.	**80**	85	– 6	**15**	15	**13**	14	15	**6,000**	6,000	**8,000**	8,000	**400**	400
66	60	**Grossman's Northwest Division,** San Carlos, Calif.	**80**	80	0	**95**	95	**19**	28	19	**35,000**	35,000	**12,000**	12,000	**550**	550
67	63	**Thompson Building Materials,** Orange, Calif.	**80**	80	0	**20**	20	**9**	9	9	**25,000**	25,000	**1,000**	1,000	**290**	290
68	69	**Chandler Lumber,** Van Nuys, Calif.	**80**	75	7	**5**	5	**4**	4	4	**20,000**	20,000	**17,000**	23,000	**275**	250
69	78	**Barr Lumber,** Los Alamitos, Calif.	**79**	62	27	**25**	20	**4**	4	5	**10,000**	10,000	**10,000**	10,000	**250**	230
70	67	**Busy Beaver,** Pittsburgh, Pa.	**75**	75	0	**95**	95	**16**	15	17	**25,000**	25,000	**14,000**	14,000	**600**	600
71	71	**Church's Lumber,** Utica, Mich.	**75**	72	4	**75**	75	**16**	16	16	**20,000**	20,000	**17,000**	17,000	**550**	550
72	79	**Cox Lumber,** St. Petersburg, Fla.	**72**	60	20	**20**	22	**13**	13	13	**9,000**	9,000	**8,000**	8,000	**500**	550
73	54	**O'Malley's,** Phoenix, Ariz.	**70**	90	–22	**30**	33	**7**	10	7	**25,000**	25,000	**20,000**	20,000	**300**	600
74	73	**Courtesy Home Centers,** Mt. Prospect, Ill.	**70**	70	0	**85**	85	**6**	6	NA	**50,000**	50,000	**35,000**	35,000	**900**	900
75	75	**Ganahl Lumber,** Anaheim, Calif.	**70**	66	6	**10**	11	**3**	3	3	**9,000**	9,000	**14,000**	14,000	**425**	425
76	77	**Henry Bacon Building Materials,** Bellevue, Wash.	**70**	65	8	**40**	40	**5**	5	NA	**16,000**	16,000	**13,000**	13,000	**445**	300
77	70	**Scherer Brothers,** Brooklyn Park, Minn.	**68**	75	– 9	**10**	10	**3**	3	3	**3,000**	3,000	**5,000**	8,000	**250**	275
78	94	**Builders Discount,** North Hollywood, Calif.	**67**	50	34	**40**	40	**4**	3	5	**90,000**	85,000	**30,000**	24,500	**500**	300
79	80	**Lumber City,** Van Nuys, Calif.	**63**	60	5	**95**	95	**10**	10	10	**34,000**	34,000	**22,000**	22,000	**600**	600
80	76	**Webber Lumber & Supply,** Worcester, Mass.*	**60**	65	– 8	**60**	60	**8**	8	8	**NA**	NA	**NA**	NA	**NA**	NA
81	83	**Bellevue Builders Supply,** Schenectady, N.Y.	**59**	59	0	**34**	34	**1**	1	1	**22,000**	22,000	**15,000**	15,000	**229**	235
82	87	**E.C. Barton,** Jonesboro, Ark.	**59**	53	11	**40**	40	**27**	27	27	**6,000**	6,000	**8,000**	8,000	**400**	400
83	91	**Yardbirds of California,** Petaluma, Calif.	**59**	50	18	**90**	95	**6**	6	8	**40,000**	40,000	**17,000**	15,000	**310**	270
84	82	**Holmes Lumber, Co.,** Jacksonville, Fla.	**58**	60	– 3	**4**	4	**4**	4	4	**14,000**	10,000	**16,000**	16,000	**450**	450
85	84	**Williams Brothers,** Atlanta	**58**	57	2	**30**	35	**6**	10	5	**10,000**	10,000	**14,000**	14,000	**350**	500
86	86	**Kogel Giant Building Supply,** Middle Island, N.Y.	**57**	57	0	**10**	5	**7**	7	8	**8,000**	8,000	**8,000**	7,000	**300**	300
87	85	**Curtis Lumber,** Ballston Spa, N.Y.	**56**	57	– 2	**45**	45	**9**	8	9	**14,000**	14,000	**14,000**	14,000	**270**	264
88	81	**Haddonfield Lumber,** Cherry Hill, N.J.	**55**	60	– 8	**10**	10	**6**	6	6	**3,000**	3,000	**8,000**	8,000	**240**	230
89	89	**NHD Stores,** Stoughton, Mass.	**55**	52	6	**100**	100	**36**	33	37	**16,000**	16,000	**27,500**	27,500	**676**	616
90	90	**Central Michigan Lumber,** St. Johns, Mich.	**55**	52	6	**65**	65	**5**	5	5	**6,000**	6,000	**10,000**	10,000	**150**	150
91	95	**The Paty Co.,** Piney Flats, Tenn.	**55**	49	12	**55**	55	**8**	6	8	**25,000**	20,000	**15,000**	13,000	**500**	500
92	74	**National Home Center,** Springdale, Ark.	**53**	68	–22	**45**	45	**5**	6	5	**42,000**	42,000	**18,000**	18,000	**415**	478
93	111	**San Lorenzo Lumber,** Santa Cruz, Calif.	**51**	42	21	**40**	40	**4**	4	4	**15,000**	15,000	**NA**	NA	**190**	175
94	93	**M.G. Building Materials,** San Antonio, Texas	**50**	50	0	**60**	65	**4**	4	4	**10,000**	10,000	**14,500**	15,000	**100**	100
95	92	**Goodman Lumber,** San Francisco	**50**	50	0	**100**	100	**4**	4	4	**50,000**	50,000	**35,000**	35,000	**210**	220
96	100	**Lezzer Lumber,** Curwensville, Pa.	**50**	45	11	**60**	60	**7**	6	7	**15,000**	15,000	**15,000**	15,000	**200**	175
97	103	**Star Lumber,** Wichita, Kan.	**50**	45	11	**47**	47	**4**	3	4	**30,000**	30,000	**35,000**	35,000	**430**	400
98	115	**Riverhead Building Supply,** Riverhead, N.Y.[8]	**50**	40	25	**20**	20	**6**	6	6	**6,000**	6,000	**NA**	NA	**200**	200
99	114	**Hayward Lumber,** Salinas, Calif.	**50**	40	25	**40**	36	**6**	7	6	**12,000**	12,000	**15,000**	15,000	**212**	225
100	164	**Golden State Lumber,** San Rafael, Calif.	**50**	30	67	**25**	25	**2**	2	2	**4,000**	4,000	**NA**	NA	**100**	100
101	107	**Causeway Lumber,** Ft. Lauderdale, Fla.	**48**	44	9	**15**	15	**3**	3	3	**6,900**	6,900	**18,000**	18,000	**325**	325
102	98	**Fox Lumber,** Chicago	**47**	47	0	**50**	50	**4**	4	4	**9,000**	9,000	**10,000**	10,000	**100**	NA
103	96	**Woodbury's,** Glens Falls, N.Y.[9]	**45**	48	– 6	**50**	50	**9**	9	NA	**9,000**	9,000	**14,000**	12,000	**300**	300
104	104	**Bison Building Materials,** Houston	**45**	45	0	**15**	15	**3**	3	3	**4,500**	4,500	**6,000**	6,000	**100**	100
105	108	**Standard Supply & Lumber,** Grand Rapids, Mich.	**45**	43	5	**30**	35	**12**	12	12	**5,000**	5,000	**12,500**	12,500	**225**	225
106	109	**Hancock Co.,** Casco, Maine	**45**	42	7	**40**	40	**8**	7	9	**4,000**	4,000	**12,000**	15,000	**250**	250
107	99	**Feldman Lumber,** Brooklyn, N.Y.	**44**	47	– 6	**20**	20	**3**	3	3	**5,000**	5,000	**5,000**	NA	**150**	150
108	106	**M.L. Claster & Sons,** Bellefonte, Pa.	**44**	44	0	**50**	50	**11**	11	11	**12,000**	10,000	**7,000**	7,000	**260**	260
109	116	**Stock Lumber,** Green Bay, Wis.	**44**	40	10	**20**	20	**6**	6	NA	**NA**	NA	**15,000**	15,000	**225**	250
110	101	**Nassau Suffolk Lumber,** Hauppauge, N.Y.	**43**	45	– 4	**30**	30	**6**	6	6	**3,000**	3,000	**10,000**	10,000	**205**	235
111	105	**Lampert Yards,** St. Paul, Minn.	**42**	44	– 5	**45**	45	**29**	29	29	**4,000**	4,000	**10,000**	10,000	**210**	210
112	110	**City Mill,** Honolulu	**42**	42	0	**90**	80	**5**	5	5	**40,000**	40,000	**13,000**	13,000	**376**	360
113	113	**Plywood Minnesota,** Minneapolis	**42**	40	5	**60**	60	**13**	13	14	**30,000**	30,000	**NA**	7,500	**375**	375
114	121	**Pine Tree Lumber,** Escondido, Calif.	**42**	39	8	**10**	20	**3**	3	3	**5,000**	5,000	**20,000**	25,000	**180**	150
115	132	**Piedmont Lumber,** Pleasant Hill, Calif.	**41**	35	17	**55**	40	**5**	5	5	**15,000**	15,000	**30,000**	30,000	**220**	209
116	117	**Woodhaven Lumber,** Point Pleasant Beach, N.J.	**40**	40	0	**25**	25	**3**	2	3	**15,000**	NA	**25,000**	NA	**195**	NA
117	112	**Great Plains Supply,** St. Paul, Minn.	**40**	40	0	**25**	30	**35**	34	35	**4,000**	4,000	**15,000**	10,000	**290**	250
118	146	**Builders Supply,** Omaha	**40**	33	21	**11**	11	**1**	1	1	**20,000**	20,000	**25,000**	25,000	**200**	200
119	197	**Ridout Lumber,** Searcy, Ark.	**40**	25	60	**50**	50	**9**	8	10	**11,500**	10,000	**NA**	NA	**150**	135
120	134	**Ply-Marts,** Norcross, Ga.	**39**	35	11	**7**	7	**3**	3	3	**5,000**	5,000	**8,000**	7,000	**250**	200
121	122	**Bauer Enterprises,** Stow, Ohio	**38**	38	0	**60**	60	**14**	14	12	**8,000**	8,000	**10,000**	10,000	**300**	300
122	127	**Western Home Center,** Cincinnati*	**38**	37	3	**70**	70	**3**	3	NA	**13,000**	13,000	**NA**	NA	**300**	300
123	179	**Grove Lumber,** Ontario, Calif.	**38**	28	36	**5**	5	**1**	1	1	**30,000**	30,000	**NA**	NA	**100**	100
124	97	**Nickerson Lumber,** Orleans, Mass.	**37**	47	–21	**25**	25	**7**	7	7	**15,000**	15,000	**17,000**	17,000	**221**	265
125	128	**Moser Lumber,** Naperville, Ill.	**37**	37	0	**25**	25	**2**	2	2	**45,000**	45,000	**24,000**	24,000	**225**	225
126	102	**J.T.'s Home & Builders Centers,** Newport, R.I.	**36**	45	–20	**30**	30	**4**	4	4	**15,000**	15,000	**15,000**	15,000	**200**	250
127	118	**National Lumber,** Newton Highlands, Mass.	**36**	40	–10	**15**	10	**2**	2	3	**1,500**	1,500	**10,000**	10,000	**70**	80
128	119	**William M. Young,** Wilmington, Del.	**36**	40	–10	**15**	15	**1**	1	1	**NA**	NA	**NA**	NA	**75**	75
129	123	**Roper Bros. Lumber,** Midlothian, Va.	**36**	38	– 5	**10**	10	**5**	5	5	**9,000**	9,000	**12,000**	12,000	**200**	200
130	143	**H.P.M. Building Supply,** Hilo, Hawaii	**36**	33	9	**48**	48	**4**	4	4	**5,000**	5,000	**NA**	NA	**174**	154
131	152	**Mutual Materials,** Bellevue, Wash.	**36**	31	16	**10**	10	**11**	11	11	**NA**	NA	**NA**	NA	**375**	NA
132	126	**Builders General Supply,** Little Silver, N.J.	**35**	37	– 5	**15**	15	**4**	4	4	**2,500**	2,500	**3,000**	3,000	**120**	130
133	130	**Ridge Lumber,** Baltimore	**35**	36	– 3	**10**	10	**1**	1	1	**NA**	NA	**NA**	NA	**110**	NA

**NHCN* estimate

[8] 2 of Riverhead's 6 stores are Kitchen & Bath showrooms

[9] Formerly known as Diamond Point Lumber

RETAIL SCOREBOARD

Rank 1989	Rank 1988	Company	Sales ($ Millions) 1989	1988	% Change 1988-1989	% DIY 1989	1988	Stores 1989	1988	proj. 1990	Showroom sq. ft. Store avg. 1989	1988	SKUs store Average 1989	1988	Employees 1989	1988
134	131	**Sinclair Lumber,** Laurinburg, N.C.	35	35	0	30	30	7	8	7	13,000	13,000	14,500	14,500	200	200
135	135	**Shaw Lumber,** St. Paul, Minn.	35	35	0	30	30	2	2	2	20,000	20,000	18,000	18,000	170	170
136	136	**Davidson's Industry,** Indianapolis*	35	35	0	5	3	1	1	1	7,000	7,000	15,000	15,000	200	200
137	140	**Fullerton Lumber,** Minneapolis	35	33	6	30	30	26	27	26	8,000	8,000	17,000	17,000	400	400
138	148	**Peter Lumber,** Pleasantville, N.J.*	35	32	9	25	25	13	13	NA	6,000	6,000	8,000	8,000	110	110
139	156	**Champion Lumber,** Riverside, Calif.	35	31	13	10	10	1	1	1	10,000	10,000	1,000	1,000	80	80
140	168	**Yaeger & Kirk,** Santa Rosa, Calif.	35	29	21	25	25	3	3	3	25,000	25,000	23,000	23,000	205	180
141	137	**Fingerle Lumber,** Ann Arbor, Mich.	34	35	− 3	25	25	1	1	1	20,000	20,000	25,000	25,000	150	150
142	138	**Thompson Enterprises,** Minnetonka, Minn.	34	34	0	80	80	9	8	9	10,000	10,000	35,000	20,000	300	240
143	139	**Kempsville Lumber,** Virginia Beach, Va.	34	34	0	21	25	1	1	2	12,000	12,000	12,000	12,000	170	180
144	141	**Babbitt Brothers,** Flagstaff, Ariz.	34	33	3	35	35	7	6	8	15,000	9,000	17,000	17,000	250	250
145	147	**Spahn and Rose Lumber,** Dubuque, Iowa	34	32	6	65	6	23	24	NA	3,500	3,500	15,000	15,000	167	167
146	150	**J.C. Snavely & Sons,** Landisville, Pa.	33	32	3	15	15	3	2	3	10,000	10,000	NA	NA	240	255
147	166	**All American Home Center,** Downey, Calif.	33	30	10	100	100	1	1	1	140,000	140,000	90,000	95,000	325	325
148	183	**Midpac Lumber,** Honolulu	33	27	22	25	25	1	1	1	5,000	5,000	5,800	5,800	175	170
149	120	**Masten Lumber,** Milford, Del.	32	39	−18	28	30	7	7	7	19,000	14,500	15,000	15,000	204	210
150	145	**Raymond Building Supply,** N. Fort Myers, Fla.	32	33	− 3	5	5	3	3	3	10,000	10,000	3,000	3,000	235	255
151	149	**Moynihan North Reading Lumber,** N. Reading, Pa.	32	32	0	25	25	2	2	NA	6,000	6,000	10,000	10,000	120	130
152	163	**Millard Lumber,** Omaha, Neb.	32	30	7	25	25	3	3	3	19,000	19,000	32,000	25,000	215	200
153	176	**Learned Lumber,** Hermosa Beach, Calif.	32	28	14	12	15	2	2	2	4,500	4,500	20,000	20,000	84	80
154	155	**Thompson Lumber,** Brooklyn Center, Minn.	31	31	0	5	5	2	2	2	5,000	5,000	4,500	4,500	75	65
155	153	**Builderama,** Savannah, Ga.	31	31	0	80	80	9	10	9	35,000	30,000	21,000	21,000	350	400
156	158	**Rigg's Supply,** Kennett, Mo.	31	30	3	75	75	8	8	8	20,000	20,000	9,000	9,000	145	145
157	160	**H&E DIY Centers,** Victorville, Calif.	31	30	3	96	96	6	6	7	35,000	35,000	35,000	35,000	400	275
158	169	**Friedman Brothers,** Santa Rosa, Calif.*	31	29	7	70	70	1	1	1	NA	NA	NA	NA	NA	NA
159	177	**Richardson Industries,** Sheboygan Falls, Wis.	31	28	11	30	30	2	2	2	13,000	13,000	10,000	10,000	210	160
160	125	**LaValley Building Supply,** Newport, N.H.	30	37	−19	38	38	5	5	5	7,000	7,000	30,000	30,000	150	170
161	129	**Continental Lumber,** West Haven, Conn.	30	36	−17	10	10	2	2	2	2,000	2,000	5,000	5,000	50	60
162	133	**Pease Co.,** Hamilton, Ohio	30	35	−14	15	15	5	5	6	7,000	7,000	6,000	6,000	200	225
163	144	**Big Creek Lumber,** Davenport, Calif.	30	33	− 9	25	25	3	3	3	10,000	10,000	30,000	30,000	180	180
164	165	**Midland Lumber & Supply,** Midland Park, N.J.	30	30	0	30	30	2	2	2	2,500	2,500	18,000	15,000	150	150
165	159	**Century Supply,** Lombard, Ill.	30	30	0	50	50	8	7	8	8,000	6,000	20,000	20,000	220	175
166	157	**International Paper,** Overland Park, Kan.*	30	30	0	45	45	9	9	NA	6,000	6,000	10,000	10,000	140	140
167	213	**Home Lumber,** San Bernadino, Calif.	30	25	20	50	50	2	2	2	16,000	16,000	5,000	5,000	85	80
168	216	**Westside Building Materials,** Anaheim, Calif.*	30	25	20	10	10	1	1	NA	NA	NA	NA	NA	NA	NA
169	161	**Jaeger Lumber,** Union, N.J.	29	30	− 3	35	40	5	5	5	8,000	8,000	8,700	8,700	125	125
170	170	**TAPJAC,** Carthage, Mo.	29	28	4	55	60	16	16	16	12,000	12,000	12,500	12,500	350	330
171	180	**Big Blue Stores,** Seymour, Ind.	29	27	7	70	70	16	15	16	15,000	15,000	40,000	40,000	255	245
172	190	**Frierson Building Supply,** Jackson, Miss.	29	26	12	40	40	1	1	1	NA	NA	NA	NA	175	175
173	226	**Hammond Lumber,** Belgrade, Maine	29	24	21	40	40	4	3	4	8,500	7,600	4,000	4,000	150	105
174	142	**Lester Group,** Martinsville, Va.	28	33	−15	37	33	4	5	4	10,250	10,250	7,000	6,500	165	175
175	154	**Hinckley Home Centers,** Hyannis, Mass.	28	31	−10	45	38	4	4	4	8,500	8,500	24,000	24,000	155	170
176	174	**Panning Lumber,** Orlando, Fla.	28	28	0	5	5	5	6	5	1,200	1,200	4,500	4,500	200	225
177	171	**Lumber Headquarters,** Floral Park, N.Y.	28	28	0	80	80	13	13	13	5,000	5,000	6,000	6,000	225	225
178	192	**Calcasieu Lumber,** Austin, Texas	28	26	8	2	2	1	1	2	14,000	10,000	13,500	13,500	160	135
179	207	**Kaplan Lumber,** St. Peter's, Mo.	28	25	12	1	1	2	2	2	10,000	10,000	10,000	10,000	80	75
180	196	**Marvin's, Inc.,** Trussville, Ala.*	28	25	NA	50	50	10	8	12	22,000	22,000	NA	NA	NA	350
181	203	**Levy's Building Centers,** Louisville, Ky.	27	25	8	95	95	4	4	5	60,000	60,000	25,000	25,000	300	300
182	204	**Great Central Lumber,** St. Louis, Mo.	27	25	8	10	10	4	4	4	5,500	5,500	7,500	7,500	135	135
183	205	**Simon Stores,** Walnut Creek, Calif.	27	25	8	100	100	3	3	NA	50,000	50,000	NA	NA	350	350
184	269	**Central Valley Builders Supply,** St. Helena, Calif.	27	20	35	30	35	2	2	2	13,500	13,500	17,500	17,000	155	140
185	151	**The Level Line,** Lakewood, N.J.	26	32	−19	20	30	2	2	2	6,000	6,000	NA	NA	135	200
186	178	**Wallich Lumber,** Detroit, Mich.	26	28	− 7	15	15	1	1	1	14,000	14,000	2,200	2,200	100	100
187	173	**Mack Industries,** Hollywood, Fla.[10]	26	28	− 7	10	10	6	6	7	3,000	3,000	NA	NA	NA	200
188	172	**Choo Choo Supply,** Vidalia, Ga.	26	28	− 7	35	35	7	7	7	8,000	8,000	3,000	2,600	120	120
189	181	**Guy C. Lee Building Materials,** Smithfield, N.C.	26	27	− 4	25	25	6	6	6	6,000	6,000	NA	NA	100	100
190	186	**Alamo Lumber,** San Antonio, Texas	26	26	0	60	55	13	13	13	3,500	3,500	4,500	4,500	260	260
191	187	**Consolidated Lumber,** Stillwater, Minn.	26	26	0	25	25	9	9	9	2,000	2,000	1,500	1,500	120	120
192	188	**Rocky's Home Center,** Springfield, Mass.	26	26	0	80	90	8	8	8	17,000	17,000	30,000	30,000	185	185
193	185	**Thurman Industries,** Kirkland, Wash.	26	26	0	80	80	15	15	15	15,000	15,000	10,000	10,000	140	140
194	193	**C&C Builders Supplies,** Tarrs, Pa.	26	26	2	45	45	1	1	1	25,000	25,000	18,000	18,000	62	62
195	210	**Stottlemyer & Shoemaker Lumber,** Sarasota, Fla.*	26	25	4	10	10	2	2	NA	10,000	10,000	9,000	9,000	200	200
196	195	**Herrmann Lumber,** Springfield, Mo.	26	25	4	40	40	10	10	10	8,000	8,000	10,000	10,000	163	160
197	214	**A.H. Angerstein,** Wilmington, Del.	26	25	4	30	30	2	2	2	100,000	100,000	30,000	30,000	170	190
198	217	**Mead Clark Lumber,** Santa Rosa, Calif.*	26	25	4	15	16	1	1	NA	22,000	22,000	15,000	16,000	70	75
199	227	**Stripling Blake Lumber,** Austin, Texas	26	24	8	30	30	2	2	2	30,000	30,000	35,000	35,000	185	170
200	225	**P.E. Dolan Lumber,** Pinole, Calif.	26	24	8	50	50	4	3	4	15,000	12,000	3,000	3,000	175	100
201	234	**R.P. Lumber,** Edwardsville, Ill.	26	22	18	35	35	9	6	10	9,000	9,000	18,000	18,000	112	80
202	88	**East Coast Lumber,** East Hampstead, N.H.	25	53	−53	35	18	1	3	1	5,000	5,000	10,000	15,000	50	210
203	162	**Shelly Enterprise,** Souderton, Pa.*	25	30	−17	30	30	4	3	4	8,500	5,300	20,000	20,000	185	185

**NHCN* estimate

[10] Rinker Industries has sold one Mack Lumber unit to its pres. and is divesting its other five stores

RETAIL SCOREBOARD

Rank 1989	Rank 1988	Company	Sales ($ Millions)		% Change 1988-1989	% DIY		Stores			Showroom sq. ft. Store avg.		SKUs store Average		Employees	
			1989	1988		1989	1988	1989	1988	proj. 1990	1989	1988	1989	1988	1989	1988
204	200	**W.H. Conyngham & Co.,** Wilkes Barre, Pa.	25	25	0	12	12	7	6	7	5,000	4,000	14,000	14,000	115	110
205	211	**Gulf Stream Lumber,** Boynton Beach, La.	25	25	0	10	10	3	2	3	8,500	8,500	20,000	20,000	170	170
206	212	**Lumber City, Inc.,** Chesapeake, Va.	25	25	0	5	10	2	2	2	4,000	4,000	10,000	10,000	95	75
207	206	**The Country Lumber Co.,** Santa Barbara, Calif.	25	25	0	25	10	2	2	2	NA	NA	NA	NA	60	60
208	194	**T.H. Rogers Lumber,** Oklahoma City	25	25	0	65	65	30	30	30	3,000	3,000	15,000	15,000	175	175
209	199	**Hacienda Home Centers,** Albuquerque, N.M.*	25	25	0	90	90	6	6	6	21,000	21,000	18,000	18,000	280	280
210	202	**Southampton Lumber,** Southampton, N.Y.	25	25	0	15	15	5	5	5	6,000	6,000	12,000	12,000	90	110
211	218	**F.E. Wheaton & Co.,** Wheaton, Ill.*	25	25	0	10	10	1	1	NA	15,000	15,000	4,000	4,000	80	80
212	231	**Lappo Lumber,** Fruitport, Mich.	25	23	9	40	40	2	2	2	14,000	14,000	20,000	20,000	85	85
213	241	**Hughes Lumber,** Tulsa, Okla.	25	21	19	75	75	10	10	11	12,000	12,000	12,000	9,500	200	180
214	258	**Ziegler Building Centers,** Spokane, Wash.	25	20	25	85	85	9	8	9	10,000	10,000	3,000	2,750	125	110
215	175	**Kesseli & Morse Co.,** Worcester, Mass.	24	28	−14	10	10	4	4	4	2,750	2,750	4,500	4,500	60	60
216	182	**Cleveland Builders Supply,** Cleveland	24	27	−11	15	15	6	6	6	6,000	6,000	NA	NA	90	90
217	220	**Manis Lumber (Wheeler's),** Rome, Ga.	24	24	0	36	36	8	7	9	6,500	8,000	8,500	10,000	140	129
218	223	**Babcock Building Supply,** Melbourne, Fla.	24	24	0	40	40	6	6	6	30,000	30,000	25,000	25,000	220	220
219	219	**Elk Supply,** Clinton, Okla.	24	24	0	80	80	18	17	19	12,000	12,000	30,000	30,000	125	125
220	230	**Broadway Lumber,** New York	24	23	4	50	50	4	4	4	8,000	8,000	10,000	10,000	120	130
221	291	**McLendon Hardware,** Renton, Wash.	24	18	33	85	85	3	3	3	75,000	45,000	70,000	60,000	120	100
222	294	**Marling Lumber,** Madison, Wis.	24	18	33	25	25	2	2	2	NA	NA	NA	NA	NA	NA
223	189	**Albert R. Lavalley,** Sanford, Maine	23	26	−12	25	25	3	3	3	6,000	6,000	11,000	16,000	150	165
224	209	**Cedarburg Lumber,** Cedarburg, Wis.	23	25	− 8	20	20	2	2	2	7,000	7,000	11,500	11,500	110	105
225	221	**Cramer's Building Centers,** E. Stroudsburg, Pa.	23	24	− 4	70	70	7	7	7	8,000	8,000	9,000	9,000	130	120
226	229	**Scott Lumber,** Bridgeport, Ohio	23	23	0	55	60	9	9	9	10,000	10,000	15,000	15,000	250	235
227	246	**Stine Lumber,** Sulphur, La.	23	21	10	65	60	4	4	4	18,000	14,000	11,000	8,000	180	180
228	262	**Dykes Lumber,** Weehawken, N.J.	23	20	15	25	25	6	6	6	3,000	3,000	5,000	5,000	100	100
229	330	**Lee Lumber & Building Materials,** Chicago	23	15	53	15	15	2	1	2	12,000	12,000	17,000	15,000	135	NA
230	124	**Fairfield Lumber,** Fairfield, Conn.	22	38	−42	10	10	3	3	4	5,000	5,000	15,000	15,000	110	130
231	191	**Cofer Brothers,** Tucker, Ga.	22	26	−15	30	30	1	1	1	6,000	6,000	10,000	10,000	85	85
232	198	**Brookhart, Inc.,** Colorado Springs, Colo.	22	25	−12	40	30	7	7	7	10,000	10,000	30,000	30,000	100	100
233	201	**Narrowsburg Lumber,** Narrowsburg, N.Y.	22	25	−12	30	35	5	5	10	3,000	3,000	NA	NA	94	100
234	224	**Big Tin Barn,** Diboll, Texas	22	24	− 8	30	30	4	4	4	5,000	5,000	10,000	10,000	90	90
235	238	**Yankee Supply Corp.,** Hollis, N.Y.	22	22	0	35	30	3	3	3	2,000	2,000	35,000	35,000	50	60
236	233	**Robertson Cos.,** Grand Forks, N.D.	22	22	0	67	67	25	22	25	3,000	3,000	15,000	15,000	155	155
237	237	**Walter & Jackson, Inc.,** Christiana, Pa.	22	22	0	11	13	3	3	5	3,000	NA	5,500	5,000	111	117
238	248	**Matt's Cash & Carry Building Mat'ls.,** Pharr, Texas	22	21	5	50	50	2	2	2	21,000	21,000	NA	NA	170	153
239	247	**John H. Myers & Son, Inc.,** York, Pa.	22	21	5	20	20	3	3	3	7,000	7,000	NA	NA	100	100
240	312	**Home of Economy, Inc.,** Grand Forks, N.D.	22	16	38	15	15	5	5	5	50,000	50,000	NA	NA	220	200
241	240	**Lummus Supply,** Atlanta	22	22	0	25	30	4	4	5	8,000	8,000	8,000	8,000	58	58
242	208	**Fairfax Lumber & Millwork,** Springfield, Va.	21	25	−16	10	10	2	2	2	7,500	7,500	5,000	5,000	109	130
243	228	**General Builders Supply,** Norwood, Mass.	21	24	−13	20	10	1	1	1	5,000	5,000	NA	NA	50	50
244	222	**East Coast Lumber,** Fort Pierce, Fla.	21	24	−13	20	30	6	6	6	7,000	7,000	12,000	12,000	130	130
245	239	**Ruffin & Payne,** Richmond, Va.	21	22	− 5	10	10	1	1	1	1,200	1,200	3,800	3,800	140	140
246	243	**Kuesters, Inc.,** Evansville, Ind.	21	21	0	90	90	9	8	9	15,000	15,000	25,000	25,000	200	200
247	242	**Ellsworth Builders Supply,** Ellsworth, Maine	21	21	0	30	35	8	8	8	NA	NA	5,700	4,500	78	100
248	259	**Gee Lumber,** Chicago	21	20	5	68	70	8	7	9	30,000	30,000	36,000	40,000	300	320
249	261	**Al Meier's Building Centers Inc.,** Tacoma, Wash.	21	20	5	50	50	6	6	6	10,000	10,000	15,000	15,000	100	90
250	275	**A.L. Kilgo Co.,** Honolulu	21	20	5	30	35	1	1	1	300,000	300,000	NA	NA	160	160
251	265	**Supply One, Inc.,** Reno, Nev.	21	20	5	80	80	3	3	4	60,000	60,000	30,000	30,000	170	170
252	283	**W.T. Harvey Lumber,** Columbus, Ga.	21	19	11	25	25	4	4	4	10,000	10,000	30,000	30,000	155	150
253	311	**Dill's Best Building Centers,** Peekskill, N.Y.	21	16	31	60	60	6	6	7	10,000	10,000	10,000	10,000	130	130
254	167	**Stacy Building Materials,** Mobile, Ala.	20	29	−31	50	55	4	6	4	22,000	22,000	17,000	17,000	100	175
255	232	**Douglas Lumber,** Smithfield, R.I.	20	23	−13	25	20	1	1	1	3,000	3,000	13,000	10,000	100	90
256	235	**Whelan's,** Topeka, Kan.	20	22	− 9	50	50	3	3	3	16,000	16,000	25,000	25,000	135	135
257	252	**Riemeier Lumber Co.,** Cincinnati	20	21	− 5	10	10	1	1	1	3,000	3,000	2,000	2,000	55	50
258	251	**Devlin Lumber & Supply,** Rockville, Md.	20	21	− 5	10	10	1	1	1	NA	NA	10,000	10,000	85	85
259	256	**Bomgaars Supply,** Sioux City, Iowa	20	20	0	50	50	11	11	11	25,000	25,000	2,400	2,400	250	200
260	274	**Naples Lumber,** Naples, Fla.	20	20	0	10	10	1	1	1	5,000	5,000	NA	NA	100	100
261	272	**Wilson Lumber,** Huntsville, Ala.	20	20	0	10	10	2	2	2	10,000	10,000	14,000	14,000	165	165
262	271	**Thomas W. Perry,** Chevy Chase, Md.	20	20	0	30	30	2	2	2	17,000	17,000	30,000	30,000	125	125
263	255	**Sterling Lumber,** Denver	20	20	0	20	20	11	11	11	2,300	2,300	7,000	7,000	100	100
264	263	**A.J. Smith Co.,** Nashville, Tenn.	20	20	0	10	10	5	5	NA	10,000	10,000	4,000	4,000	80	90
265	273	**O.C. Cluss Lumber,** Uniontown, Pa.	20	20	0	50	50	2	2	3	16,500	16,500	12,000	10,600	120	120
266	254	**The Chicago Lumber Co. of Omaha,** Omaha, Neb.	20	20	0	25	25	16	16	16	NA	NA	NA	NA	140	140
267	257	**J.H. Patterson Co.,** Rockford, Ill.	20	20	0	15	15	9	9	10	1,200	1,200	NA	NA	90	90
268	267	**Jordan & Bradley Building Supply,** Columbus, Ga.	20	20	0	7	7	3	3	3	6,500	6,500	NA	NA	100	100
269	268	**Economy Building Materials,** Denver	20	20	0	40	40	3	3	3	10,000	10,000	13,000	13,000	120	130
270	266	**Elliott Hardware,** Elm Grove, Wis.	20	20	0	90	90	3	3	3	32,000	32,000	75,000	35,000	260	260
271	270	**Olshan Lumber,** Houston	20	20	0	65	65	2	2	2	30,000	30,000	15,000	15,000	100	100
272	280	**The Estate of George Snyder,** Hatfield, Pa.	20	20	0	93	93	1	1	1	35,000	35,000	33,000	33,000	100	50
273	276	**Buena Park Lumber,** Buena Park, Calif.	20	20	0	20	25	1	1	1	28,000	26,000	29,000	29,000	115	100

**NHCN* estimate

RETAIL SCOREBOARD

Rank	Rank	Company	Sales ($ Millions)		% Change	% DIY		Stores		proj.	Showroom sq. ft. Store avg.		SKUs store Average		Employees	
1989	1988		1989	1988	1988-1989	1989	1988	1989	1988	1990	1989	1988	1989	1988	1989	1988
274	260	**Standard of Beaverdale, Inc.,** W. Burlington, Iowa*	20	20	0	25	25	5	6	2	NA	NA	30,000	30,000	95	100
275	253	**Bloedorn Lumber,** Torrington, Wyo.	20	20	0	30	30	19	17	19	7,000	7,000	35,000	35,000	150	120
276	284	**INR Beatty Lumber,** Oak Lawn, Ill.	20	19	5	20	20	3	3	3	18,000	18,000	4,000	3,700	72	67
277	288	**Chris & Dick's,** Salt Lake City	20	19	5	90	90	1	1	1	60,000	60,000	23,000	23,000	180	180
278	289	**E.D. Adkins & Co.,** Salisbury, Md.	20	18	11	30	27	7	7	7	9,000	9,000	10,000	10,000	150	150
279	300	**Truitt & White Lumber,** Berkeley, Calif.	20	18	11	35	35	1	1	1	7,500	7,500	19,000	19,000	100	100
280	303	**Higginbotham Bartlett Co.,** Lubbock, Texas*	20	17	18	40	40	37	39	37	30,000	30,000	12,000	10,000	150	150
281	245	**Steenbeke & Sons,** Boscawen, N.H.	19	21	−10	25	25	7	6	7	15,000	15,000	20,000	20,000	138	130
282	287	**Stan's Lumber,** Twin Lakes, Wis.	19	19	0	40	40	2	2	3	5,000	4,000	3,000	3,000	72	65
283	282	**Knight Home Center,** Evansville, Ind.	19	19	0	30	30	5	5	4	12,000	12,000	13,000	12,600	105	103
284	296	**Crissey-Fowler Lumber,** Colorado Springs, Colo.*	19	18	6	15	15	1	1	NA	30,000	30,000	18,000	18,000	100	100
285	184	**Nonantum Lumber,** Watertown, Mass.	18	27	−33	40	40	1	1	1	32,000	32,000	27,000	27,000	60	105
286	215	**Moodus Lumber,** Moodus, Conn.	18	25	−28	35	35	1	1	1	2,400	2,400	10,000	10,000	75	70
287	250	**Mayfair Lumber,** Chicago	18	21	−14	5	5	1	1	1	NA	NA	NA	NA	60	60
288	244	**Conklin & Strong,** Warwick, N.Y.	18	21	−14	65	65	8	7	8	31,000	26,075	3,200	2,500	87	116
289	279	**Kleet Lumber,** Huntington, N.Y.	18	20	−10	7	7	1	1	1	3,600	3,600	NA	NA	47	47
290	277	**Somerville Lumber,** Bridgewater, N.J.	18	20	−10	30	25	1	1	NA	17,000	17,000	15,000	15,000	62	68
291	285	**Economy Builders Supply,** Sandy, Utah	18	19	− 5	40	40	3	3	3	16,000	16,000	5,000	5,000	165	165
292	297	**Dooley's Hardware,** Long Beach, Calif.	18	18	0	77	77	1	1	1	22,500	22,500	NA	NA	170	190
293	295	**Christy's Supplies,** Medford, N.J.	18	18	0	20	15	3	2	3	20,000	12,000	40,000	35,000	145	100
294	290	**Big L Corp.,** Sheridan, Mich.	18	18	0	50	50	5	5	5	70,000	60,000	7,600	7,600	74	74
295	298	**Barrons Gaithersburg Lumber,** Gaithersburg, Md.	18	18	0	20	20	1	1	1	20,000	20,000	16,500	16,000	90	89
296	292	**Matthews & Fields Lumber,** Rochester, N.Y.	18	18	0	10	10	2	2	2	2,000	2,000	NA	NA	100	100
297	306	**Potter's Shopping Center,** Jamestown, Tenn.	18	17	6	45	45	7	6	8	6,500	6,500	NA	NA	125	115
298	307	**Tulnoy Lumber,** New Rochelle, N.Y.	18	17	6	3	2	2	2	2	NA	NA	NA	NA	80	80
299	304	**Whipple Brothers,** Tunkhannock, Pa.	18	17	6	50	50	9	9	10	6,000	6,000	2,400	2,300	80	88
300	318	**Jay-K Lumber,** New Hartford, N.Y.	18	16	13	50	45	1	1	1	50,000	50,000	30,000	30,000	110	110
301	302	**Cassity Jones Lumber,** Longview, Texas	18	18	0	30	30	6	6	7	12,000	12,000	11,000	11,000	110	110
302	236	**Daniels-McCray Lumber,** Kansas City, Mo.	17	22	−23	4	4	3	3	3	3,000	3,000	9,000	9,000	148	148
303	249	**Friend Building Centers,** Lowell, Mass.	17	21	−19	50	50	2	2	2	8,000	8,000	10,000	10,000	90	115
304	281	**G.V. Moore Lumber,** Ayer, Mass.	17	19	−11	42	42	6	6	6	30,000	30,000	22,000	22,000	130	150
305	293	**Topeka Lumber,** Topeka, Kan.	17	18	− 6	15	15	2	2	2	20,000	20,000	NA	NA	55	55
306	309	**'R' Lumber Center,** Edgewater, Md.	17	17	0	15	15	1	1	1	2,500	1,500	7,000	4,500	100	85
307	305	**Zarsky Lumber,** Victoria, Texas	17	17	0	30	30	6	6	6	6,000	5,000	NA	NA	120	110
308	308	**Arcadia Lumber,** Arcadia, Calif.	17	17	0	20	20	2	2	2	NA	NA	25,000	25,000	85	80
309	313	**Lumber Investors, Inc.,** Alexandria, La.	17	16	6	29	30	4	4	4	10,000	10,000	10,000	10,000	81	81
310	316	**Triangle Wholesale Building Supply,** Fayetteville, N.C.	17	16	6	15	15	2	2	2	18,500	18,500	15,500	15,000	126	125
311	310	**The Gordon Lumber Co.,** Oak Harbor, Ohio	17	16	6	40	40	8	8	9	5,000	5,000	14,000	14,000	100	100
312	321	**Bender Lumber,** Bloomington, Ind.*	17	15	13	60	60	6	5	6	NA	NA	18,000	NA	280	280
313	278	**Geiger Lumber & Supply,** Tallman, N.Y.	16	20	−20	15	15	1	1	1	14,000	3,000	NA	NA	65	70
314	286	**Snow Lumber & Home Decorating,** High Point, N.C.	16	19	−16	30	30	2	2	2	22,000	22,000	12,000	12,000	135	135
315	299	**H.G. Page & Sons,** Poughkeepsie, N.Y.	16	18	−11	35	35	1	1	1	21,000	21,000	NA	NA	85	105
316	319	**Building Material Supply,** Tucker, Ga.*	16	16	0	5	5	1	1	NA	NA	NA	NA	NA	NA	NA
317	329	**Elmsford Building Materials,** Elmsford, N.Y.*	16	15	7	10	10	1	1	NA	3,200	3,200	1,500	1,450	70	67
318	324	**Butz Building Centers,** Palmerton, Pa.	16	15	7	50	50	4	4	5	6,000	6,000	16,000	14,400	104	85
319	320	**Degol Brothers Lumber,** Gallitzin, Pa.	16	15	7	50	50	7	5	6	5,000	5,000	NA	NA	170	150
320	344	**Mortimer & Son Lumber,** Port Huron, Mich.	16	12	33	40	40	4	4	4	9,000	9,000	12,000	12,000	70	60
321	264	**N.T. Fox Co.,** Portland, Maine	15	20	−25	35	25	4	4	4	10,000	2,500	6,000	6,000	80	80
322	301	**Aaron's Lumber,** Bakersfield, Calif.	15	18	−17	4	5	1	1	1	60,000	60,000	9,000	12,000	100	130
323	325	**Vannote Lumber,** Point Pleasant, N.J.*	15	15	0	20	20	3	3	NA	NA	NA	NA	NA	NA	NA
324	328	**Montalbano Lumber,** Houston*	15	15	0	35	35	2	2	2	10,000	10,000	15,000	15,000	80	80
325	333	**Randall Brothers,** Atlanta	15	15	0	20	20	1	1	1	NA	NA	NA	NA	150	150
326	331	**Sackett & Peters,** Whittier, Calif.	15	15	0	98	100	1	1	1	120,000	120,000	38,000	37,000	120	120
327	323	**Newkirk's Ace Hardware,** Rapid City, S.D.	15	15	0	60	60	4	4	6	20,000	20,000	45,000	45,000	120	120
328	326	**Clay Ingles Co.,** Lexington, Ky.	15	15	0	10	10	2	2	2	1,500	1,500	NA	NA	55	55
329	322	**West Elizabeth Lumber,** Elizabeth, Pa.	15	15	0	5	5	5	5	5	5,000	5,000	NA	NA	80	80
330	336	**Fort Myers Lumber & Supply,** Fort Myers, Fla.	15	14	7	5	5	1	1	1	10,000	10,000	1,200	1,200	115	115
331	335	**Brosius-Eliason,** New Castle, Del.*	15	14	7	60	60	4	4	NA	8,000	8,000	12,000	12,000	NA	NA
332	338	**American Home & Hardware,** Elkton, Md.	15	13	15	40	40	2	2	2	27,000	27,000	33,000	33,000	105	97
333	337	**Alpine Lumber,** Denver	15	13	15	12	10	4	5	4	2,000	2,000	14,000	14,000	55	62
334	347	**Columbia Lumber & Mfg.,** Columbia, S.C.*	15	12	25	5	5	3	2	3	1,000	1,000	4,000	4,000	55	55
335	345	**Theut Products, Inc.,** Mount Clements, Mich.	15	12	25	35	35	4	4	4	10,000	10,000	NA	NA	115	110
336	317	**N.B. Goodwyn & Sons,** Chesterfield, Va.	15	16	− 6	1	1	1	1	1	850	850	5,000	5,000	70	65
337	315	**Mullen Lumber,** Sudbury, Mass.	14	16	−13	25	25	2	3	2	8,000	10,000	NA	NA	45	60
338	314	**United Building Supply,** Anchorage, Alaska	14	16	−13	35	35	3	4	3	10,000	10,000	19,000	NA	70	75
339	332	**Eastern Lumber,** Amesbury, Mass.	14	15	− 7	30	20	1	1	1	30,000	30,000	15,500	25,000	46	60

**NHCN estimate*

RETAIL SCOREBOARD

Rank 1989	Rank 1988	Company	Sales ($ Millions) 1989	Sales ($ Millions) 1988	% Change 1988-1989	% DIY 1989	% DIY 1988	Stores 1989	Stores 1988	Stores proj. 1990	Showroom sq. ft. Store avg. 1989	Showroom sq. ft. Store avg. 1988	SKUs store Average 1989	SKUs store Average 1988	Employees 1989	Employees 1988
340	334	**Serv-U Hardware Home Centers,** Springfield, Mass.	**14**	14	0	**75**	75	**9**	9	9	**7,500**	7,500	**15,000**	15,000	**135**	95
341	343	**Elliott's Hardware,** Dallas	**14**	13	8	**60**	60	**1**	1	1	**55,000**	55,000	**60,000**	54,000	**125**	120
342	342	**Chopp & Co.,** Brandywine, Md.	**14**	13	8	**5**	5	**1**	1	1	**6,000**	NA	**850**	850	**20**	20
343	348	**Matthew Hall Lumber,** North St. Cloud, Minn.	**14**	12	17	**25**	25	**1**	1	1	**15,000**	15,000	**NA**	NA	**60**	50
344	349	**Handyman Home Center,** Fairborn, Ohio	**14**	11	27	**90**	90	**8**	7	8	**17,000**	17,000	**NA**	NA	**130**	110
345	350	**Scarborough Lumber,** Scotts Valley, Calif.	**14**	11	27	**50**	50	**4**	4	4	**6,500**	6,500	**30,000**	30,000	**125**	125
346	327	**Hamshaw Lumber,** Keene, N.H.	**13**	15	−13	**40**	40	**2**	2	2	**18,000**	18,000	**16,000**	16,000	**46**	55
347	341	**O'Fallon Lumber & Supply,** O'Fallon, Mo.	**13**	13	0	**85**	85	**1**	1	1	**10,000**	10,000	**5,500**	5,500	**50**	54
348	339	**Sawyer Cleator Lumber,** Osseo, Minn	**13**	13	0	**5**	6	**2**	2	2	**1,200**	1,200	**3,500**	3,500	**45**	65
349	346	**J.C. Balderidge Lumber,** Albuquerque, N.M.	**13**	12	8	**50**	50	**3**	3	2	**12,000**	12,000	**NA**	NA	**155**	160
350	340	**O'Neill Lumber,** East St. Louis, Ill.	**12**	13	− 8	**5**	5	**1**	1	1	**2,000**	2,000	**1,200**	1,200	**65**	60
—	351	**Armstrong Building Materials,** Los Angeles	**12**	11	9	**100**	100	**1**	1	1	**23,000**	23,000	**30,000**	30,000	**100**	100
—	352	**Earl Latsha Lumber,** Harrisburg, Pa.	**12**	11	9	**23**	20	**1**	1	1	**40,000**	20,000	**6,500**	6,500	**56**	56
		TOP 10 TOTALS AND AVERAGES	**14,843**	13,349	11.2	**74**	73	**1,704**	1,768		**46,322**	45,300	**21,500**	20,100	**105,700**	100,500
		TOP 25 TOTALS AND AVERAGES	**21,101**	19,622	7.5	**76**	76	**2,811**	2,950		**42,250**	41,476	**23,478**	22,160	**159,890**	158,752
		TOP 50 TOTALS AND AVERAGES	**24,976**	23,303	7.2	**71**	71	**3,618**	3,775		**32,117**	31,680	**20,159**	19,580	**183,651**	183,623
		TOP 100 TOTALS AND AVERAGES	**28,437**	26,634	6.8	**68**	68	**4,221**	4,379		**25,464**	25,212	**17,040**	16,700	**205,158**	204,956
		TOP 150 TOTALS AND AVERAGES	**30,347**	28,498	6.5	**66**	66	**4,560**	4,714		**21,545**	21,184	**15,765**	15,322	**215,795**	214,761
		TOP 200 TOTALS AND AVERAGES	**31,764**	29,894	6.3	**65**	64	**4,815**	4,966		**19,779**	19,433	**14,908**	14,524	**223,734**	223,038
		TOP 250 TOTALS AND AVERAGES	**32,921**	31,084	5.9	**64**	63	**5,097**	5,235		**19,119**	18,684	**14,465**	14,141	**230,096**	229,375
		TOP 300 TOTALS AND AVERAGES	**33,888**	32,073	5.7	**63**	62	**5,327**	5,464		**18,749**	18,300	**14,438**	13,990	**235,833**	235,072
		TOP 350 TOTALS AND AVERAGES	**34,675**	32,860	5.5	**62**	62	**5,479**	5,614		**18,086**	17,577	**13,919**	13,435	**240,530**	239,767
		Total Home Center/Bldg Mat'l Sales**	**67,563**	66,605	1.6											
		Total Hardware Store Sales**	**12,049**	11,862	1.5											
		Total Home Improvement Sales	**79,612**	78,467	1.5											

*NHCN estimate

**Source: Dept. of Commerce

Census Methodology

In our continuing effort to better assess the performance of smaller, independent operators, *National Home Center News* has expanded its Annual Census to include the top 350 companies, ranked by sales, in the home center industry.

The figures for sales, stores, showroom square footage, stockkeeping units and employees were obtained by *NHCN*'s staff from officials of the respective companies either by phone or Fax machine.

All sales figures are rounded to the nearest millions dollars; square footage is rounded to the nearest foot; and all percentages were rounded to the nearest whole number. In nearly all cases the numbers given are for the calendar years listed.

Generally the information came from that company's president, general manager, controller or vp-finance. Information was also gathered from annual reports or figures released to *Dun & Bradstreet*.

In instances where estimates were made, *NHCN* relied on the reporter's knowledge of that company, how its competition fared and what the company's performance was the previous year. In devising these estimates, *NHCN* attempted to be as conservative as possible.

In all cases, the companies were ranked according to their sales for the year 1989. In cases where two or more companies had the same sales, the companies are listed in descending order based on their sales in 1988.

Readers who notice some discrepancies from what *NHCN* published last year should be alerted to the fact that some companies chose to update the figures they reported to this newspaper last year. In these instances we published the updated numbers.

With so many private companies operating in the industry today, *NHCN*'s Annual Census has strive to reflect most accurately the information the companies on the chart are reporting for the most current year. ◆

CALIFORNIA'S DO-IT-YOURSELF WAREHOUSE
GRAND OPENING
ENTER
EXIT

Clockwise from above: Home Depot, which this year displaced Lowe's at the top of the list in sales, will add 32 stores in 1990, and focus its expansion primarily in the Northeast and in California.

Lowe's added close to 2,000 square feet of selling space to its existing stores and will be concentrating this year on a larger-store merchandising format as pictured here in its Boone, N.C., unit.

Payless Cashways reverted to catering more to remodelers and contractors, and remerchandised many of its stores, including upgrading its kitchen and bath areas.

Builders Square grew to 142 units, but its sales remained flat from 1988 levels. This year, the company will focus on cross merchandising, as evinced by its new store in Corpus Christi, Texas.

Hechinger will use its Home Quarters Warehouse format as it penetrates Northeastern markets.

NHCN photos

Home Quarters
HQ
Do It Yourself
Warehouse

Circle 27 on Reader Service Card

RETAIL SCOREBOARD

Alphabetical listing of the Industry Top 350

Company & Rank

A.C. Houston Lumber 49
George C. Houston, President
(316) 262-8491 (phone)
(316) 264-6821 (fax)

A.H. Angerstein, Inc. 197
Bruce W. Greene, President
(302) 996-3500 (phone)
(302) 998-1384 (fax)

A.J. Smith Company 264
Gilbert N. Smith, President
(615) 383-8383 (phone)
FAX: NA

A.L. Kilgo 250
A.L. Kilgo, President
(808) 832-2200 (phone)
(808) 832-2201 (fax)

Aarons Lumber 322
Ted Maidment, President
(805) 327-7127 (phone)
(805) 327-9608 (fax)

ACO Hardware 53
Heber L. Noseworthy, President
(313) 471-0100 (phone)
(313) 474-9758 (fax)

Al Meier's Building Centers 249
Albert Meier, President
(206) 922-8779 (phone)
(206) 922-9157 (fax)

Alamo Lumber 190
Randall Pucket, President
(512) 222-1311 (phone)
(512) 220-8428 (fax)

Albert R. Lavalley, Inc. 223
Michael Rivard, President
(207) 324-3350 (phone)
(207) 324-1339 (fax)

Alexander Lumber 48
Walter Alexander, President
(708) 844-5123 (phone)
(708) 844-6594 (fax)

All American Home Center 147
Leonard Gertler, President
(213) 927-8666 (phone)
(213) 928-0633 (fax)

Alpine Lumber 333
James B. Kurtz, President
(303) 458-4740 (phone)
(303) 433-5220 (fax)

American Home & Hardware 332
Harry E. Hammond, President
(301) 398-1900 (phone)
(301) 398-7037 (fax)

Anderson Lumber 46
James C. Beardall, President
(801) 479-3400 (phone)
FAX: NA

Arcadia Lumber 308
Andrew Beckstrom, President
(818) 446-3181 (phone)
(818) 447-5038 (fax)

Armstrong Building Materials 350
Chris Armstrong, Partner
(213) 477-8023 (phone)
FAX: NA

Company & Rank

Babbitt Brothers 144
W. David Chambers, President
(602) 774-8700 (phone)
FAX: NA

Babcock Building Supply 218
S. Wayne Mann, President
(407) 254-1515 (phone)
(407) 255-0924 (fax)

Barr Lumber 69
Merle Fast, President
(213) 596-4475 (phone)
(213) 493-5828 (fax)

Barrons Gaithersburg Lumber 295
Charles F. Davis, President
(301) 948-6600 (phone)
(301) 948-1252 (fax)

Bauer Enterprises 121
Richard Bauer, Chairman
(216) 688-8255 (phone)
(216) 688-5174 (fax)

Bellevue Builders Supply 81
Joseph Lucarelli, President
(518) 355-7190 (phone)
(518) 355-2009 (fax)

Bender Lumber 312
Paul Bender, President
(812) 339-9730 (phone)
(812) 331-8867 (fax)

Big Blue Stores 171
Bob Lonowski, President
(812) 522-3651 (phone)
(812) 523-1805 (fax)

Big Creek Lumber 163
Frank Maccrary, President
(408) 423-4156 (phone)
FAX: NA

Big L Corp. 294
Kenneth J. Lehman, President
(517) 291-3232 (phone)
(517) 291-5751 (fax)

Big Tin Barn 234
Harold Maxwell, VP
(409) 829-5511 (phone)
FAX: NA

Bison Building Materials 104
Roy Bierschwale, Chairman
(713) 467-6700 (phone)
(713) 935-1227 (fax)

Bloedorn Lumber Company 275
Lyle Blue, Vice President
(307) 532-2151
FAX: NA

BMC West 30
Don Hendrickson, President
(208) 338-1754 (phone)
(208) 338-1763 (fax)

Bomgaars Supply 259
Harold Bomgaars, President
(712) 277-2000 (phone)
(712) 277-1242 (fax)

Broadway Lumber 220
Richard Spodek, President
(212) 695-3393 (phone)
FAX: NA (fax)

Company & Rank

Brookhart 232
Tom W. Watt, President
(719) 471-4500 (phone)
(719) 471-4505 (fax)

Brosius Eliason 331
Farrell L. Goble, President
(302) 328-9481 (phone)
(302) 328-2761 (fax)

Buena Park Lumber 273
John Nelson, President
(714) 522-2864 (phone)
(714) 994-4907 (fax)

Builderama 155
Don Whipple, President
(912) 927-3115 (phone)
(912) 927-7581 (fax)

Builders Discount 78
Abraham Lehavi, President
(818) 765-3777 (phone)
(818) 765-3797 (fax)

Builders Emporium 12
James McKitrick, President
(714) 474-8333 (phone)
(714) 852-4055 (fax)

Builders General Supply 132
T.J. Shaheen, President
(201) 747-0808 (phone)
FAX: NA

Builders Square 4
Glen Mielke, President
(512) 731-0500 (phone)
(512) 734-9718 (fax)

Builders Supply 118
Robert Wellendorf, President
(402) 331-4500 (phone)
FAX: NA

Builderway 65
Don Henston, President
(803) 297-6266 (phone)
(803) 297-0356 (fax)

Building Material Supply 316
Robert Chambers, President
(404) 934-1400 (phone)
(404) 934-1887 (fax)

Busy Beaver 70
Charles Bender, President
(412) 963-1980 (phone)
(412) 963-0308 (fax)

Butz Building Centers 318
Michael Carty, President
(215) 826-3555 (phone)
(215) 826-3559 (fax)

C & C Building Supplies 194
Frank J. Cernuto, President
(412) 696-5757 (phone)
(412) 696-3241 (fax)

Calcasieu Lumber 178
T. N. Morris Jr., President
(512) 444-3172 (phone)
(512) 462-2344 (fax)

Carolina Builders 33
Fenton N. Hord, President
(919) 828-7471 (phone)
(919) 833-1440 (fax)

Company & Rank

Carter-Jones Lumber 27
Neil Sackett, President
(216) 673-6100 (phone)
(216) 678-6134 (fax)

Cassity Jones Lumber 301
Jackie Brewster, President
(214) 759-0736 (phone)
(214) 759-8558 (fax)

Causeway Lumber 101
Scott Whiddon, President
(305) 763-1224 (phone)
(305) 467-2389 (fax)

Cederburg Lumber 224
W. A. Werneke, President
(414) 377-2345 (phone)
(414) 377-4263 (fax)

Central Valley Builders Supply 184
Robert Patterson Jr., President
(707) 963-3622 (phone)
(707) 963-8751 (fax)

Central Hardware 22
Jim Cohen, President
(314) 291-7000 (phone)
(314) 291-8270 (fax)

Central Michigan Lumber 90
Steve Lawrence, President
(517) 224-2358 (phone)
(517) 224-8741 (fax)

Century Supply 165
Paul C. Spiewak, President
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(708) 485-8645 (fax)

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George Champion, President
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(714) 275-0825 (fax)

Chandler Lumber 68
Stanley Brown, Chairman
(818) 997-7900 (phone)
(818) 994-0648 (fax)

Channel Home Centers 13
Leon Berger, Chairman
(201) 887-7000 (phone)
(201) 887-4299 (fax)

Chase-Pitkin 55
Bill Strassburg, President
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(716) 427-8475 (fax)

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B.R. Snooks, President
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(912) 537-4839 (fax)

Chopp & Co. 342
Joseph S. Chopp, Chairman
(301) 843-2467 (phone)
(301) 843-3795 (fax)

Chris & Dick's 277
Richard Paras, President
(801) 972-8737 (phone)
FAX: NA

Christy's Supplies 293
Gerald Greene, President
(609) 654-4143 (phone)
(609) 953-1783 (fax)

Company & Rank

Church's Lumber 71
William Church, President
(313) 731-2000 (phone)
FAX: NA

City Mill Lumber 112
David Ai, President
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(808) 521-9767 (fax)

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William Chapman, President
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(606) 259-0938 (fax)

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C.J. French, President
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(216) 621-2651 (fax)

Cofer Brothers 231
Gene S. Cofer, President
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(404) 491-7583 (fax)

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William L. Otis, President
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(803) 736-6172 (fax)

Conklin & Strong 288
Howard Conklin, President
(914) 986-7788 (phone)
(914) 986-2258 (fax)

Consolidated Lumber 191
Dale H. Remus, President
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(612) 439-9756 (fax)

Continental Lumber 161
Howard Lerner, President
(203) 933-2577 (phone)
FAX: NA

Copeland Lumber Yards 41
William A. Whitsell, President
(503) 232-7181 (phone)
FAX: NA

Courtesy Home Centers 74
Richard Ender, Chairman
(708) 394-2800 (phone)
(708) 394-0802 (fax)

Cox Lumber 72
Linton N. Tibbetts, Chairman
(813) 327-4503 (phone)
(813) 327-5393 (fax)

Cramer's Building Centers 225
William P. Cramer, President
(717) 424-5953 (phone)
(717) 424-0437 (fax)

Crissey Fowler Lumber 284
Kenneth W. Brosh Jr., President
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(719) 473-0653 (fax)

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Davidson's Industry 136
Larry M. Davidson, President
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(317) 787-0531 (fax)

Degol Brothers Lumber 319
Donald Degol, President
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(814) 886-7077 (fax)

Devlin Lumber & Supply 258
Jonathan S. England, President
(301) 881-1000 (phone)
(301) 468-0628 (fax)

Company & Rank

Diamond Lumber 26
Bernard Kritzer, President
(214) 247-3800 (phone)
(214) 888-8067 (fax)

Dill's Best Building Centers 253
Carl Dill, President
(914) 739-3150 (phone)
(914) 739-2188 (fax)

Dixieline Lumber 34
W. S. Cowling, II, President
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FAX: NA

Dooley's Hardware 292
Rod Nesbit, President
(213) 428-1212 (phone)
(213) 422-8874 (fax)

Company & Rank

Douglas Lumber 255
Steven Carlino, President
(401) 231-6800 (phone)
(401) 231-5899 (fax)

Dykes Lumber 228
Louis Kreyer, President
(201) 867-0391 (phone)
(201) 867-2981 (fax)

E.C. Barton & Co. 82
Allex Nixon, Chairman
(501) 932-6673 (phone)
(501) 972-1340 (fax)

E.D. Adkins & Co. 278
William Bostian, President
(301) 749-3171 (phone)
(301) 749-3998 (fax)

Earl Latsha Lumber 350
Earl D. Latsha, President
(717) 652-2200 (phone)
(717) 652-2239 (fax)

East Coast Lumber 202
Peter Lewis, President
(603) 329-5322 (phone)
(603) 329-7186 (fax)

East Coast Lumber 244
Paul Osteen, President
(407) 466-1700 (phone)
(407) 465-8678 (fax)

Company & Rank

Eastern Lumber 339
Markku Torkelli, President
(508) 388-0366 (phone)
(508) 388-9824 (fax)

Economy Builders Supply 291
David Schauerhamer, President
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(801) 255-6752 (fax)

Economy Building Materials 269
L.A. Stookesberry, President
(303) 744-6161 (phone)
(303) 744-1204 (fax)

Edward Hines Lumber 45
Edward Hines, President
(708) 773-2470 (phone)
(708) 250-3380 (fax)

84 Lumber 9
Joseph A. Hardy, Sr., President
(412) 228-8820 (phone)
(412) 225-2530 (fax)

Elk Supply 219
C.D. Browning, President
(405) 323-1639 (phone)
FAX: NA

Elliott Hardware 270
Stewart Elliott, President
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(414) 782-7926 (fax)

Company & Rank

Elliott's Hardware 341
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(214) 638-3254 (fax)

Ellsworth Builders Supply 247
Austin Goodyear, President
(207) 667-7134 (phone)
(207) 667-6043 (fax)

Elmsford Building Materials 317
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(914) 592-7200 (phone)
FAX: NA

Erb Lumber 19
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(313) 644-5300 (x 308) (fax)

Ernst Home & Nursery 23
Hal Smith, President
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(206) 621-6999 (fax)

F.E. Wheaton & Co. 211
Ralph Wheaton, President
(708) 668-1400 (phone)
(708) 668-1471 (fax)

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Jack Fagen, President
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(412) 793-7304 (fax)

Fairfax Lumber & Millwork 242
John F. Dolan, President
(703) 644-4045 (phone)
(703) 644-4203 (fax)

Fairfield Lumber 230
B. William Plotkin, President
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(203) 254-8235 (fax)

Feldman Lumber 107
Robert Feldman, President
(718) 495-5000 (phone)
FAX: NA

Fingerle Lumber 141
Brian E. Fingerle, President
(313) 663-0581 (phone)
(313) 663-2515 (fax)

Fort Myers Lumber & Supply 330
Richard Dickey, President
(813) 332-1753 (phone)
(813) 332-5733 (fax)

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Jack Laird, President
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FAX: NA

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Jimmy Galbraith, President
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(214) 437-4236 (fax)

Friedman Brothers 158
Bill Friedman, President
(707) 584-7811 (phone)
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(617) 452-9716 (fax)

Frierson Building Supply 172
Pete H. Frierson, President
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(601) 922-3226 (fax)

Fullerton Lumber 137
James G. Fullerton, President
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(612) 339-6459 (fax)

G.V. Moore Lumber 304
Victor Moore, Chairman
(508) 772-0900 (phone)
(508) 772-0396 (fax)

Ganahl Lumber 75
Peter Ganahl, President
(714) 772-5444 (phone)
FAX: NA

Gee Lumber & Hardware 248
Nancy Gee, President
(312) 476-7400 (phone)
(312) 476-7845 (fax)

Geiger Lumber & Supply 313
Charles Geiger, President
(914) 357-1800 (phone)
FAX: NA

General Building Products 63
Bruce Meltzer, Chairman
(516) 654-3500 (phone)
(516) 654-9204 (fax)

General Builders Supply 243
Herbert Katz, President
(617) 762-3800 (phone)
(617) 762-2003 (fax)

Gerrity Building Centers 31
Elliott Putnam, President
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(603) 279-7125 (fax)

Golden State Lumber 100
Lee Nobman, President
(707) 648-0522 (phone)
(707) 648-0934 (fax)

Goodman Lumber 95
Edward Goodman, Partner
(415) 285-2800 (phone)
(415) 285-5230 (fax)

Great Central Lumber 182
Richard G. Millian, President
(314) 968-1700 (phone)
(314) 968-0940 (fax)

Great Plains Supply 117
Michael R. Wigley, President
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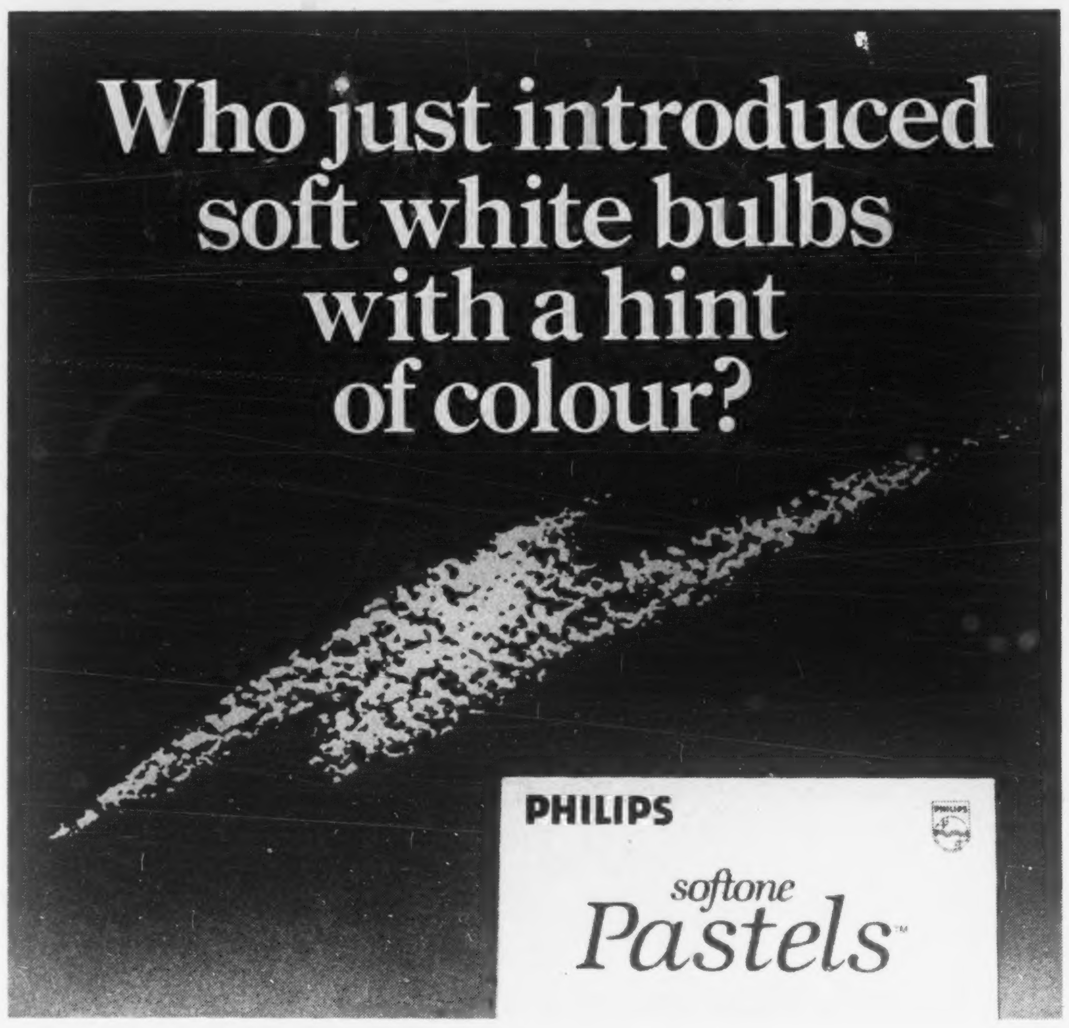
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Richard W. Wilson, President
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(714) 947-9395 (fax)

Gulf Stream Lumber 205
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(407) 732-1643 (fax)

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(919) 934-6104 (fax)

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(619) 241-9084 (fax)

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H.G. Page & Sons 315
John Page, President
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(914) 452-3673 (fax)

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Felix Sanchez, President
(505) 884-8811 (phone)
FAX: NA

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Dave Baird, President
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FAX: NA

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Clifton Hammond, President
(207) 495-3303 (phone)
(207) 495-2304 (fax)

Hamshaw Lumber 346
Doug Hamshaw, President
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FAX: NA

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Hancock Lumber 106
K. David Hancock, President
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(207) 627-7041 (fax)

Handy Andy 17
Steve Kadish, President
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(708) 605-1628 (fax)

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Edwin Grimes, President
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Hechinger 5
John Hechinger, Jr., President
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(301) 341-0926 (fax)

Company & Rank

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FAX: NA

Herrmann Lumber 196
William Powell, President
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(417) 862-8934 (fax)

Higginbotham Bartlett 280
J.L. Higginbotham, President
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(806) 792-8089 (fax)

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(314) 725-8460 (fax)

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Fred Whelden, President
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Company & Rank

Holmes Lumber 84
Lockwood Holmes, President
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(904) 772-1973 (fax)

Home Depot 1
Bernard Marcus, Chairman
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(404) 431-2714 (fax)

Home Lumber 167
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(714) 889-4082 (fax)

Home of Economy Inc. 240
Jean G. Kiesau, President
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(701) 772-6521 (fax)

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John Chase, President
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HPM Building Supply 130
R. Fujimoto, President
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(808) 961-4019 (fax)

Hughes Lumber 213
T.J. Hughes, President
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Bob Beatty, President
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(708) 422-3129 (fax)

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David Stry, President
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(913) 345-0135 (fax)

J. C. Baldridge Lumber 349
Wayne Harley, President
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(505) 292-5053 (fax)

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Charles B. Fessler, Jr., President
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(717) 898-5208 (fax)

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Lloyd Gates, President
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(815) 963-8315 (fax)

J.T.'s Home & Builders Centers 126
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(401) 848-7130 (fax)

Jaeger Lumber 169
Lowell E. Jaeger, President
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(201) 686-0196 (fax)

James Lumber 60
James A. Harrington, President
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(714) 847-2765 (fax)

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Kevin Kelly, President
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(315) 735-0049 (fax)

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Robert L. Myers, Jr., President
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(717) 854-5065 (fax)

Jordan & Bradley Building Supply 268
Jim Delaney, President
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(404) 327-4454 (fax)

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Paul Kaplan, President
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(314) 946-6989 (fax)

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Sterling Montgomery, President
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(804) 497-6838 (fax)

Kesseli & Morse 215
Robert T. Kesseli, President
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(508) 753-7078 (fax)

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Kent Bernhardt, President
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(812) 477-5586 (fax)

Kleet Lumber 289
Howard Kleet, President
(516) 427-7060 (phone)
(516) 427-5446 (fax)

Kogel Giant Building Supply 86
Wayne Kogel, President
(516) 924-0500 (phone)
(516) 924-4584 (fax)

Kuester's 246
C. Kuester, President
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FAX: NA

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Josh Hulce, Chairman
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(612) 690-0371 (fax)

Lampert Yards 111
John Fesler, Chairman
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(612) 645-8155 (fax)

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(206) 882-2959 (fax)

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Learned Lumber 153
Michael Learned, President
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FAX: NA

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(312) 509-6704 (fax)

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(703) 638-1766 (fax)

Levy's Building Centers 181
Phillip J. Levy, President
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(502) 583-5348 (fax)

Lezzer Lumber 96
Maurice Lezzer, President
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Lloyd Home & Building Centers 50
John Tweedy, CEO
(203) 748-3000 (phone)
(203) 798-0743 (fax)

Lowe's Companies 2
Robert Strickland, Co-Chairman
(919) 651-4000 (phone)
(919) 651-4766 (fax)

Lumber City 79
Jess Ruf, CEO
(818) 902-0202 (phone)
(818) 902-0612 (fax)

Lumber City 206
Carmine Pisatia, President
(804) 421-7101 (phone)
(804) 421-3118 (fax)

Lumber Headquarters 177
Morris Hoberman, President
(516) 328-3400 (phone)
(516) 328-2611 (fax)

Lumber Investors 309
James W. Smilie, President
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(318) 448-9665 (fax)

Lummus Supply 241
Robert H. Lummus, President
(404) 794-1501 (phone)
(404) 794-4519 (fax)

Lyman Lumber 51
Thomas P. Lowe, President
(612) 474-0844 (phone)
(612) 474-0910 (fax)

M. L. Claster & Sons 108
Jay B. Claster, President
(814) 355-4851 (phone)
(814) 355-3704 (fax)

M.G. Building Materials 94
Larry E. Grotheus, President
(512) 569-2543 (phone)
(512) 924-6082 (fax)

Mack Industries 187
David Coay, President
(305) 922-6771 (phone)
(305) 925-1421 (fax)

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Manis Lumber (Wheeler's) 217
Wheeler Manis, President
(404) 232-2400 (phone)
(404) 291-2359 (fax)

Marling Lumber 222
W.H. Marling, President
(608) 244-4777 (phone)
(608) 244-1364 (fax)

Marvin's 180
Alfred J. Cohen, President
(205) 655-7305 (phone)
(205) 655-7305 (fax)

Masten Lumber 149
Raymond Masten, Chairman
(302) 422-2446 (phone)
(302) 422-2088 (fax)

Matthew Hall Lumber 343
James A. Hall, President
(612) 252-1920 (phone)
(612) 252-1920 (fax)

Matthews & Fields Lumber 296
John M. Fields, President
(716) 663-0430 (phone)
FAX: NA

Matt's Cash & Carry Building Materials 238
Ira Matt, President
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(512) 787-6953 (fax)

Mayfair Lumber 287
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(312) 283-3300 (phone)
(312) 283-7034 (fax)

McCoy's Building Supply 29
Brian McCoy, President
(512) 353-5400 (phone)
(512) 353-5400 (fax)

McLendon Hardware 221
Robert McLendon, President
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(206) 235-3599 (fax)

Mead Clark Lumber 198
Jean E. Destruel, President
(707) 576-3333 (phone)
(707) 523-0350 (fax)

Meeks Building Centers 37
Terry Meek, President
(417) 862-7001 (phone)
FAX: NA

Menard's 11
John Menard, President
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FAX: NA

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Joseph P. Sheffel, Jr., President
(201) 652-1000 (phone)
(201) 652-1546 (fax)

Midpac Lumber 148
Michael Yoshida, President
(808) 836-8111 (phone)
(808) 836-8297 (fax)

Millard Lumber 152
G. Richard Russell, President
(402) 896-2800 (phone)
(402) 896-2865 (fax)

Miron Building Products 36
J. Miron, Chairman
(914) 336-6000 (phone)
FAX: NA

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Montalbano Lumber 324
J.F. Montalbano, President
(713) 228-9011 (phone)
(713) 228-8222 (fax)

Moodus Lumber 286
William Wierzbinski, President
(203) 873-1590 (phone)
(203) 873-2157 (fax)

Moore's 21
Norman Darrer, President
(703) 982-5900 (phone)
FAX: NA

Mortimer & Son Lumber 320
Franklin J. Mortimer, President
(313) 987-3020 (phone)
(313) 987-4074 (fax)

Moser Lumber 125
James L. Moser, Chairman
(708) 420-3000 (phone)
(708) 420-3023 (fax)

Moynihan North Reading Lumber 151
Michael F. Moynihan, President
(508) 664-3310 (phone)
(508) 664-0872 (fax)

Mr. Goodbuys 35
Stephan Underwood, President
(215) 671-6100 (phone)
FAX: NA

Mullen Lumber 337
G. Burton Mullen, President
(508) 443-8901 (phone)
(508) 443-5085 (fax)

Mutual Materials 131
Richard Houlahan, President
(206) 455-2869 (phone)
(206) 455-7732 (fax)

N.B. Goodwyn & Sons 336
Russ Beck III, President
(804) 748-5859 (phone)
(804) 748-5068 (fax)

N.T. Fox Company 321
Jere S. Fox, President
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Naples Lumber 260
O.D. Jones, President
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(813) 643-5987 (fax)

Narrowsburg Lumber 233
Herman Feldhusen, President
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(914) 252-3661 (fax)

Nassau-Suffolk Lumber 110
William Vantuyl, Sr., Chairman
(516) 724-5600 (phone)
(516) 724-4581 (fax)

National Home Centers 92
Dwain Newman, President
(501) 756-1700 (phone)
(501) 756-9122 (fax)

National Lumber 38
Mel Jaffee, President
(714) 751-3970 (phone)
FAX: NA

National Lumber 127
John Kaitz, President
(617) 244-8020 (phone)
(617) 964-4774 (fax)

Company & Rank

Newkirk's Ace Hardware 327
Fred Whiting, Vice President
(605) 342-4840 (phone)
(605) 342-7079 (fax)

NHD Stores 89
Sheldon M. Woolf, President
(617) 341-1810 (phone)
(617) 341-1810 (x261) (fax)

Nickerson Lumber 124
Joshua Nickerson, Jr., President
(508) 255-0200 (phone)
(508) 255-0200 (x 145) (fax)

Nonantum Lumber 285
John Kenny, President
(617) 924-4498 (phone)
(617) 924-1731 (fax)

O.C. Cluss Lumber 265
Charles Cluss, President
(412) 438-5501 (phone)
FAX: NA

O'Fallon Lumber & Supply 347
Jerry E. Smith, President
(314) 272-6226 (phone)
(314) 272-6220 (fax)

O'Neill Lumber 350
E. Andrew Orlet, President
(618) 271-1400 (phone)
(618) 875-1608 (fax)

Olshan Lumber 271
Richard Ledermann, President
(713) 225-5551 (phone)
(713) 225-3743 (fax)

Orchard Supply Hardware 28
Maynard Jenkins, President
(408) 281-3500 (phone)
(408) 629-7174 (fax)

P. E. Dolan Lumber 200
Henry Dolan, President
(415) 724-8753 (phone)
FAX: NA

P.F. O'Connor 56
Patrick O'Connor, President
(617) 848-8190 (phone)
(617) 848-7185 (fax)

Panning Lumber 176
Kell Williams, President
(407) 293-4001 (phone)
(407) 291-3652 (fax)

Parr Lumber 62
Dwight Parr, President
(503)645-1188
FAX: NA

Paty Lumber 91
John Seward, Jr., President
(615) 538-8101 (phone)
(615) 538-5625 (fax)

Pay 'N Pak 16
John Markley, President
(206) 854-5450 (phone)
(206) 852-1421 (fax)

Payless Cashways 3
David Stanley, Chairman
(816) 234-6000 (phone)
FAX: NA

Company & Rank

Pease Co. 162
James L. Pease, President
(513) 867-3333 (phone)
(513) 867-3398 (fax)

Pergament Home Centers 20
Michael Lurie, President
(516) 694-9300 (phone)
(516) 694-2411 (fax)

Peter Lumber 138
Hugh Peter, President
(609) 641-9000 (phone)
(609) 641-8792 (fax)

Piedmont Lumber & Mill 115
William C. Myer, Jr., President
(415) 674-8770 (phone)
(415) 687-3127 (fax)

Pine Tree Lumber 114
Warren Wexler, President
(619) 745-0411 (phone)
(619) 745-0325 (fax)

Ply-Marts 120
Randy Mahaffey, President
(404) 447-5338 (phone)
(404) 447-1433 (fax)

Plywood Minnesota 113
Gerry Boschwitz, President
(612) 571-2636 (phone)
(612) 571-3411 (fax)

Potter's Shopping Center 297
W.C. Potter, President
(615) 879-8161 (phone)
(615) 879-5823 (fax)

R Lumber Center 306
Donald Ploss, President
(301) 956-2933 (phone)
(301) 956-4682 (fax)

R.P. Lumber Co. 201
Robert Lee Plummer, President
(618) 656-1514 (phone)
(618) 656-6785 (fax)

Randall Brothers 325
W.C. Shreve, President
(404) 892-6666 (phone)
(404) 875-6102 (fax)

Raymond Building Supply 150
Joseph J. Mazzola, President
(813) 995-5467 (phone)
(813) 995-3790 (fax)

Richardson Industries 159
Joseph E. Richardson, President
(414) 467-2671 (phone)
(414) 467-2222 (fax)

Rickel Home Centers 15
Moshe Meidar, Chairman
(201) 668-7000 (phone)
FAX: NA

Ridge Lumber 133
William Howser, President
(301) 668-2700 (phone)
(301) 668-9533 (fax)

Ridout Lumber 119
Wayne Ridout, President
(501) 268-7119 (phone)
(501) 268-9814 (fax)

Riemeier Lumber 257
John D. Luecke, President
(513) 241-3788 (phone)
(513) 241-7883 (fax)

Rigg's Supply 156
A.M. Riggs, President
(314) 888-4639 (phone)
(314) 888-0067 (fax)

Riverhead Building Supply 98
Jesse R. Goodale, Chairman
(516) 727-1400 (phone)
(516) 727-6361 (fax)

Robertson Cos. 236
Hugh Robertson, President
(701) 772-3443 (phone)
(701) 775-6235 (fax)

Rocky's Home Centers 192
James Falcone, President
(413) 781-1650 (phone)
(413) 731-5173 (fax)

Roper Bros. Lumber 129
H.R. Diz, President
(804) 744-6638 (phone)
(804) 744-6870 (fax)

Ruffin & Payne 245
Joseph M. Ruffin, President
(804) 329-2691 (phone)
(804) 321-4940 (fax)

Sackett & Peters 326
Rudolph Sackett, President
(213) 945-2361 (phone)
FAX: NA

San Lorenzo Lumber 93
Robert T. Butcher, President
(408) 475-7575 (phone)
(408) 427-0820 (fax)

Sawyer Cleator Lumber 348
Clifford E. Sawyer, President
(612) 425-2125 (phone)
(612) 424-2446 (fax)

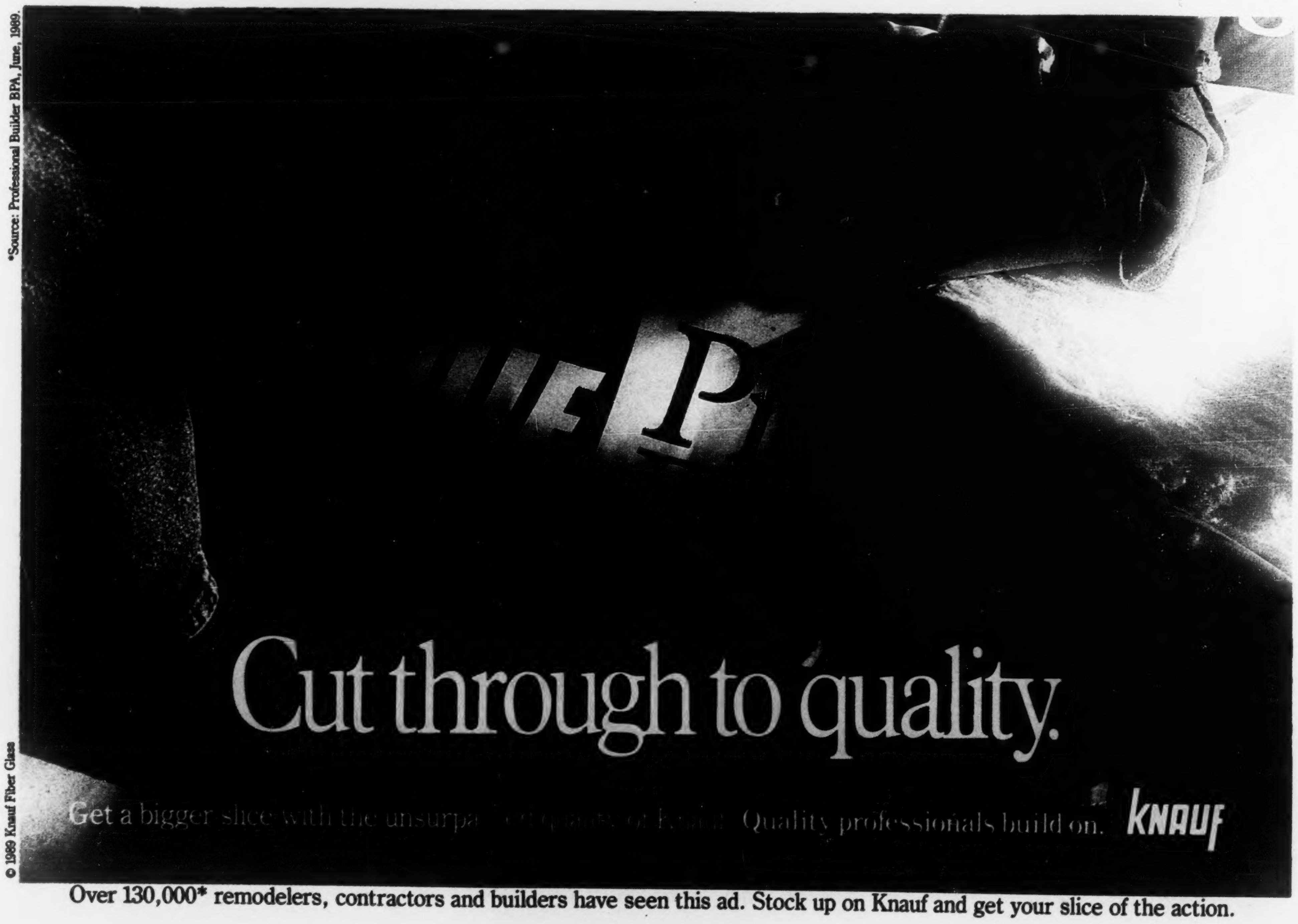
Scarborough Lumber 345
Alvin L. Scarborough, President
(408) 438-0331 (phone)
(408) 438-1376 (fax)

Scherer Brothers 77
Roger Scherer, President
(612) 379-9633 (phone)
(612) 627-0879 (fax)

Scott Lumber 226
David R. Turner, Exec VP
(614) 635-2345 (phone)
(614) 635-4816 (fax)

Scotty's 14
Daryl Lansdale, President
(813) 299-1111 (phone)
(813) 299-4196 (fax)

(Continued on page 68)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RETAIL SCOREBOARD

Company & Rank

(Continued from page 66)

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Daniel M. Campbell, President
(803) 347-4235 (phone)
(803) 347-4141 (fax)

Seigle's Home & Building Centers 47
Harry Seigle, President
(708) 742-2000 (phone)
(708) 697-6521 (fax)

Serv-U Hardware Home Centers 340
Samuel Horowitz, President
(913) 732-4300 (phone)
(913) 781-2908 (fax)

Shaw Lumber 135
Peter M. Miller, President
(612) 488-2525 (phone)
FAX: NA

Company & Rank

Shelly Enterprise 203
Bill Shelly, President
(215) 723-4304 (phone)
(215) 723-8096 (fax)

Simon Stores 183
Marc Kaplan, President
(415) 947-0705 (phone)
(415) 935-7481 (fax)

Sinclair Lumber 134
Duncan J. Sinclair, President
(919) 276-0371 (phone)
(919) 276-1540 (fax)

Snow Lumber & Home Decorating 314
P. Hunter Dalton, Jr., Chairman
(919) 884-5454 (phone)
(919) 884-8073 (fax)

Company & Rank

Somerville Lumber 290
Jack Shumer, President
(201) 356-1975 (phone)
(201) 356-8965 (fax)

Southampton Lumber 210
H. Merrill Becker, President
(516) 283-2000 (phone)
(516) 283-2054 (fax)

Spahn & Rose Lumber 145
C.D. Spahn, President
(319) 582-3606 (phone)
FAX: NA

Stacy Building Materials 254
James L. Henderson, President
(205) 661-6657 (phone)
(205) 661-6343 (fax)

Company & Rank

Stambaugh-Thompson 58
P.F. Thompson, President
(216) 792-9071 (phone)
(216) 792-8102 (fax)

Standard of Beaverdale Inc. 274
Ken Schwanker, President
(319) 753-2844 (phone)
(319) 753-5891 (fax)

Standard Companies 105
Roger Rottschafer, President
(616) 243-0057 (phone)
FAX: NA

Stan's Lumber 282
Stanley Torstenson, President
(414) 877-2181 (phone)
(414) 877-2609 (fax)

Company & Rank

Star Lumber & Supply 97
William J. Goebel, President
(316) 942-2221 (phone)
(316) 942-8625 (fax)

Steenbeke & Sons 281
Raymond Steebeke, President
(603) 796-2974 (phone)
(603) 796-2106 (fax)

Sterling Lumber 263
Marvin L. Steele, President
(303) 427-9661 (phone)
(303) 427-4326 (fax)

Stine Lumber 227
Jackson Stine, Chairman
(318) 527-0121 (phone)
(318) 527-0129 (fax)

Stock Lumber 109
K.C. Stock, President
(414) 496-5080 (phone)
(414) 494-9570 (fax)

Stottlemyer & Shoemaker 195
Alan Hill, President
(813) 365-3000 (phone)
(813) 366-1034 (fax)

Stripling Blake Lumber 199
Alec Beck, President
(512) 465-4200 (phone)
(512) 465-4222 (fax)

Strober Organization 42
Gary Kulick, President
(718) 875-9700 (phone)
(718) 788-3614 (fax)

Supply One 251
Jay Steiner, President
(702) 825-8823 (phone)
(702) 826-2785 (fax)

Sutherland Lumber 10
Herman Sutherland, Partner
(816) 756-3000 (phone)
(816) 756-3594 (fax)

T.H. Rogers Lumber 208
John M. Kennedy, President
(405) 521-1474 (phone)
FAX: NA

TAPJAC 170
William Putnum, Jr., President
(417) 358-6081 (phone)
(417) 358-2515 (fax)

Terry Companies 32
Terry Mullin, Chairman
(818) 345-2223 (phone)
(818) 996-4392 (fax)

The Chicago Lumber Co. 266
Fred L. Miller, President
(402) 342-0840 (phone)
FAX: NA

The O'Malley Lumber Co. 73
Thomas O'Malley, Chairman
(602) 957-1398 (phone)
(602) 955-1702 (fax)

The Andersons 40
Richard Anderson, President
(419) 893-5050 (phone)
(419) 891-6521 (fax)

The Gordon Lumber Co. 311
Richard Bauman, President
(419) 898-2241 (phone)
(419) 898-2947 (fax)

The Level Line Inc. 185
Marshall Sussna, President
(201) 363-8700 (phone)
(201) 367-8500 (fax)

The Estate of George S. Snyder 272
Howard Heckler, President
(215) 855-2131 (phone)
(215) 855-8485 (fax)

The Country Lumber Co. 207
Jack Gibson, President
(805) 966-3181 (phone)
(805) 962-6578 (fax)

Theut Products 335
Allan Theut, President
(313) 949-1300 (phone)
(313) 949-6620 (fax)

Thomas W. Perry 262
Thomas Perry III, President
(301) 652-2600 (phone)
(301) 652-3227 (fax)

Thompson Enterprises 142
Scott Thompson, President
(612) 933-2521 (phone)
(612) 933-0243 (fax)

Thompson Building Materials 67
Kenneth R. Thompson, President
(714) 637-7373 (phone)
(714) 637-7575 (fax)

Thompson Lumber 154
David Ryerse, President
(612) 535-7827 (phone)
(612) 535-5526 (fax)

Thurman Industries 193
Ken Thurman, President
(206) 823-4004 (phone)
(206) 823-5560 (fax)

Topeka Lumber 305
William Schmidt, President
(913) 354-1733 (phone)
(913) 354-1364 (fax)

Triangle Wholesale Building Supply 310
Joseph Riddle, President
(919) 867-9165 (phone)
(919) 867-5075 (fax)

Truitt & White Lumber 279
Robert White, President
(415) 841-0511 (phone)
(415) 845-2604 (fax)

Tulnoy Lumber 298
Herbert Tulchin, President
(914) 576-0033 (phone)
(914) 576-7863 (fax)

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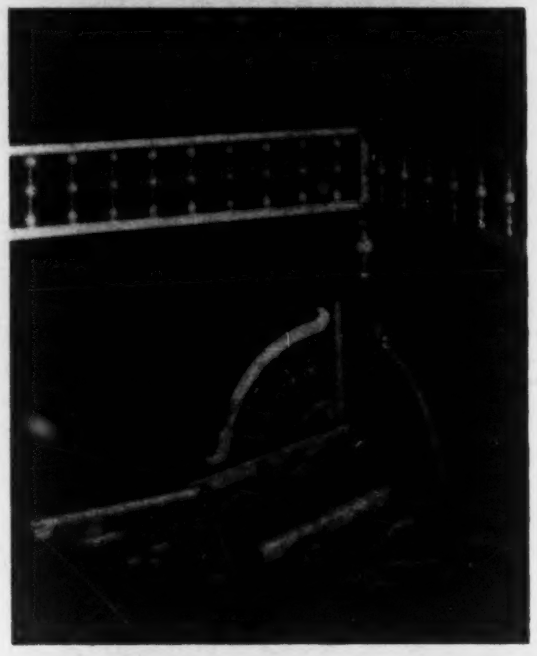

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*Source: Professional Builder BPA, June, 1989.

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Growth of the Top 100 1989 / 1988

INCREASE IN STORES

Rank	Company	Stores 1989	Stores 1988	No. of New Stores	% Change
1	The Home Depot	118	96	22	23
2	Hechinger	107	92	15	16
3	HomeClub	58	46	12	26
4	Lowe's Cos.	306	296	10	3
5	Builders Square *	142	133	9	7
6	Fagen's	23	15	8	53
7	Sutherland Lumber	92	85	7	8
8	Westlake Hardware	54	48	6	13
9	Carolina Builders	15	9	6	67
10	Scotty's	165	160	5	3
11	Menard's	45	40	5	13
12	McCoy's	90	86	4	5
13	Handy Andy *	52	49	3	6
14	Wolohan Lumber	48	45	3	7
15	NHD Stores	36	33	3	9
16	Lanoga	126	124	2	2
17	Orchard Supply	33	31	2	6
18	Wolf Organization	32	30	2	7
19	The Paty Co.	8	6	2	33
20	Erb Lumber	51	50	1	2
21	Valu Home Centers	28	27	1	4
22	National Lumber *	21	20	1	5
23	Stambaugh-Thomp.	21	20	1	5
24	BMC West	21	20	1	5
25	Busy Beaver	16	15	1	7
	Totals and *Averages*	**1,708**	**1,576**	**132**	*13*

INCREASE IN SQUARE FOOTAGE

Rank	Company	Showroom sq. ft. Store avg. 1989	Showroom sq. ft. Store avg. 1988	Stores 1989	Stores 1988	Total Sq.Ft. Added
1	The Home Depot	88,000	86,000	118	96	2,128,000
2	HomeClub	100,000	100,000	58	46	1,200,000
3	Lowe's Cos.	20,324	17,104	306	296	1,156,360
4	Hechinger	60,000	60,000	107	92	900,000
5	Builders Square *	80,000	80,000	142	133	720,000
6	Sutherland	27,000	22,000	92	85	614,000
7	Pergament	60,000	40,000	35	40	500,000
8	Scotty's	50,000	49,000	165	160	410,000
9	Menard's	70,000	70,000	45	40	350,000
10	Orchard Supply	40,000	35,000	33	31	235,000
11	Handy Andy*	68,000	68,000	52	49	204,000
12	Wolohan Lumber	24,800	23,000	48	45	155,400
13	Westlake Hardware	22,000	22,000	54	48	132,000
14	Builders Discount	90,000	85,000	4	3	105,000
15	The Paty Co.	25,000	20,000	8	6	80,000
16	Fagen's	8,000	8,000	23	15	64,000
17	National Lumber*	60,000	60,000	21	20	60,000
18	McCoy's	15,000	15,000	90	86	60,000
19	NHD Stores	16,000	16,000	36	33	48,000
20	Chase-Pitkin	48,000	48,000	12	11	48,000
21	Stambaugh-Thomp.	27,845	27,500	21	20	34,745
22	Star Lumber	30,000	30,000	4	3	30,000
23	Valu Home Centers	27,000	27,000	28	27	27,000
24	Busy Beaver	25,000	25,000	16	15	25,000
25	Erb Lumber	12,200	12,000	51	50	22,200
	Totals and Averages	43,767	41,824	1,569	1,450	372,348

* *NHCN* estimate

Secondary sorting criteria was number of stores in 1988

NHCN charts

Even in a soft market, both larger chains and independents continue to enter markets by building new stores. But the industry trend has been for companies to produce more sales by expanding already existing units.

Chains squeeze more sales out of existing stores

The Home Depot dominated in many of the growth categories among the industry's 100 largest retailers. However, its performance, while remarkable, was not singular, as other chains also showed strengths in a number of areas that surpassed the Atlanta-based warehouse chain.

Indeed, using one kind of not-totally-flawless index, it could be argued that the Erb Lumber chain in the Midwest was the most productive of the industry's Top 25 dealers.

But among the 100 largest companies, the big news remains that dealers, with some exceptions, still prefer to add to existing stores, rather than open new ones, to increase their sales volume and store productivity.

In an industry that grew less than 2 percent in 1989, the Top 100's revenues expanded by 7 percent to $28.4 billion, which corresponded to the nearly 5 percent more square footage the top quartile added to its stores.

Symbolic of this trend was Pergament Home Centers, which closed five units in 1989 and *added* 500,000 square feet by boosting the average size of its remaining 35 stores by 20,000 square feet each.

Lowe's only added 10 stores last year, but the North Carolina-based chain expanded by a net of 1,156,360 square feet, mostly be-

(Continued on page 74)

Productivity of the Top 25 1989 / 1988

SALES PER SQUARE FEET

Rank	Company	Sales $ Mil. 1989	Stores 1989	Showroom Sq. Ft. Store avg. 1989	Sales Per Sq. Ft.
1	Wickes Lumber	1,000	195	9,000	570
2	Erb Lumber	339	51	12,200	545
3	Lanoga	380	126	7,000	431
4	Lowe's Cos.	2,651	306	20,324	426
5	Payless Cashways	2,004	195	27,000	381
6	Moore's	300	59	16,000	318
7	Sutherland	726	92	27,000	292
8	The Home Depot	2,759	118	88,000	266
9	Rickel	503	50	42,000	240
10	Wolohan Lumber	272	48	24,800	228
11	Menard's	660	45	70,000	210
12	Channel	575	90	31,025	206
13	Hechinger	1,230	107	60,000	192
14	HomeClub	1,072	58	100,000	185
15	Builders Emporium	630	108	35,000	167
16	Grossman's	801	157	31,900	160
17	Builders Square *	1,800	142	80,000	158
18	Pergament	307	35	60,000	146
19	Pay 'N Pak	462	102	34,000	133
20	Central Hardware *	300	38	65,000	121
21	84 Lumber	800	334	20,000	120
22	Handy Andy *	420	52	68,000	119
23	Ernst Home & Nursery	275	73	33,000	114
24	West Building Mat'ls	265	65	45,000	91
25	Scotty's	570	165	50,000	69
	Totals and *Averages*	**21,142**	**2,811**	*42,250*	*236*

SALES PER STORE

Rank	Company	Sales $ Mil. 1989	Stores 1989	Sales Per Store $ Mil.
1	The Home Depot	2,759	118	23
2	HomeClub	1,072	58	18
3	Menard's	660	45	15
4	Builders Square *	1,800	142	13
5	Hechinger	1,230	107	11
6	Payless Cashways	2,004	195	10
7	Rickel	503	50	10
8	Pergament	307	35	9
9	Lowe's Cos.	2,651	306	9
10	Handy Andy *	420	52	8
11	Central Hardware *	300	38	8
12	Sutherland	726	92	8
13	Erb Lumber	339	51	7
14	Channel	575	90	6
15	Builders Emporium	630	108	6
16	Wolohan Lumber	272	48	6
17	Wickes Lumber	1,000	195	5
18	Grossman's	801	157	5
19	Moore's	300	59	5
20	Pay 'N Pak	462	102	5
21	West Building Mat'ls	265	65	4
22	Ernst Home & Nursery	275	73	4
23	Scotty's	570	165	3
24	Lanoga	380	126	3
25	84 Lumber	800	334	2
	Totals and *Averages*	**21,142**	**2,811**	*8*

SALES PER EMPLOYEE

Rank	Company	Sales $ Mil. 1989	Employees 1989	Sales Per Employee
1	84 Lumber	800	3,300	242,424
2	Sutherland	726	3,200	226,875
3	Erb Lumber	339	1,700	199,412
4	Pay 'N Pak	462	2,400	192,500
5	Menard's	660	3,700	178,378
6	Lowe's Cos.	2,651	15,300	173,268
7	Lanoga	380	2,200	172,727
8	Wickes Lumber	1,000	6,200	161,290
9	Wolohan Lumber	272	1,690	160,947
10	The Home Depot	2,759	17,500	157,657
11	Grossman's	801	5,200	154,038
12	HomeClub	1,072	7,500	142,933
13	Channel	575	4,500	127,778
14	Payless Cashways	2,004	16,000	125,250
15	Ernst Home & Nursery	275	2,200	125,000
16	Moore's	300	2,500	120,000
17	Builders Square *	1,800	16,500	109,091
18	Builders Emporium	630	6,000	105,000
19	Handy Andy *	420	4,500	93,333
20	Pergament	307	3,300	93,030
21	Rickel	503	5,500	91,455
22	West Building Mat'ls	265	3,000	88,333
23	Scotty's	570	6,800	83,824
24	Hechinger	1,230	15,000	82,000
25	Central Hardware *	300	4,200	71,429
	Totals and *Averages*	**21,142**	**159,890**	*139,213*

* *NHCN* estimate

NHCN charts

The warehouse chains continue to lead the pack in producing ever-growing sales per store. However, smaller-sized lumberyards that use fewer workers per store (a typical Wickes Lumber employs 32, whereas a typical Home Depot will operate with 125) are getting more sales out of their work force.

Dealers beef up their stores

(Continued from page 70)

cause its average store size increased by nearly 19 percent to 20,324 square feet. Wolohan Lumber bulked up by 81,000 square feet simply by adding 2,000 square feet to the average size of its 45 units.

Adding square footage to existing units is part of a larger move towards consolidation which finds retailers investing only in those stores that have long-range potential. That 84 Lumber led the industry in total number of stores after *closing* 35 units in 1989 is evidence that the era of running units with shallow profits is over.

New stores added

But dealers around the country were less concerned about competing against larger neighbors than meeting new competitors entering their markets, particularly when that competitor was a warehouse chain.

The race for adding new stores is being run these days by an ever-shrinking field, primarily because it's so expensive to open a new store. However, those that are expanding in earnest are doing so more aggressively than ever. Home Depot is perhaps the most feared among these dealers, as it increased its store count by 23 percent last year, and says it will add another 32 units in 1990.

Other chains, such as McCoy's, continued to add stores at a steady clip. BMC West and Carolina Builders have used recent acquisitions to emerge as formidable regional players.

But it's companies such as Home Depot, HomeClub, Menard's and Hechinger that are most feared for the sales that each company's stores can sap from a market.

When one of these companies' new stores can enter a market and, in its first year, capture $15 million to $25 million in sales (or, in Home Depot's case in New Jersey, an estimated $40 million), everybody else has something to worry about.

Productivity is subjective

Oftentimes, however, it's impossible to compare companies head-to-head. Some use part-time help more than others or don't adequately man their sales floors, so a sales per employee comparison isn't always a true barometer. Several lumberyards actually have as much "square footage" as the warehouse stores because of the huge outdoor stocking areas they maintain, but their sales per square foot numbers almost always look stronger because they don't factor in outdoor space.

But accepting these variables at face value, it's interesting to see where different chains among the top 25 rate if judged by combining where they rank in sales per store, square foot and employee.

For example, among these chains, Erb Lumber, the 50-unit chain based outside of Detroit, ranked second in sales per square foot, 13th in sales per store and third in sales per employee, giving the chain an average productivity ranking of 6.

Using this index, Erb would be followed by Home Depot (ranking eighth, first and 10th in the respective categories for an average of 6.3), Menard's (11th, third and fifth, for an average of 6.3), and Lowe's (fourth, ninth and sixth, for a 6.3 average). ◆

"BIGGEST HIT OF THE HOME CENTER SHOW!"

"REMARKABLE PRODUCT..."

"THE DEMONSTRATION REALLY IMPRESSED ME..."

"...LONG OVERDUE. WE NEED THIS PRODUCT..."

"WORKS LIKE MAGIC..."

These were a few of the enthusiastic comments from buyers at the March, 1990 Home Center Show, as they watched a demonstration of a new product from Evans.

If you missed the demonstration, you can still catch a re-run of our show...

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PAINT
REMOVER

Introducing...

Ruff-Cote

TEXTURE PAINT REMOVER

Ruff-Cote Texture Paint Remover (TPR) is a new formulation designed to remove all kinds of latex texture paints–sand, stucco, "popcorn", wall, ceiling–quickly, safely and easily.

It softens texture paint so it can be scraped off, yet won't damage the drywall or plaster.

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Circle 45 on Reader Service Card

Independents inch ahead, though several score big

Dealers concentrate on raising profits and boosting DIY sales, with west coast indys showing strongest results

Independents—those companies with three or fewer stores—went through a tough 1989, as their collective sales expanded by less than 1 percent.

The 138 companies that fall under this definition of independents accounted for around 10 percent of the $34.7 billion generated by the industry's largest 350 retailers as ranked by *NHCN's Retail Scoreboard.*

But despite slow growth by the independents as a whole, there were a number of companies that improved their businesses by reducing costs to raise profits, adding new departments to their stores, and enlarging their existing facilities.

Profits on the uptick

As the accompanying charts reveal, Home Depot wasn't the only company in the industry to register big numbers last year. Led by Golden State Lumber in San Rafael, Calif., which jumped almost 67 percent in sales to $50 million last year, several high-volume independents survived a downturn in home building and the onslaught of bigger competitors quite adequately.

More telling is the fact that among the top 10 independents in percentage sales gains, six were based in California, illustrating the overall strength of that state's market.

Significantly, an equal number of companies shored up their overhead and reported strong profits for 1989. These include Shaw Lumber in St. Paul, Minn., which had flat sales but saw its profits rise 30 percent. Company treasurer Mark Lindgren said the dealer is budgeting for another 20 percent income gain this year.

Austin, Texas-based Calcasieu Lumber symbolized the recovery of the Lone Star State with a 20 percent increase in net income.

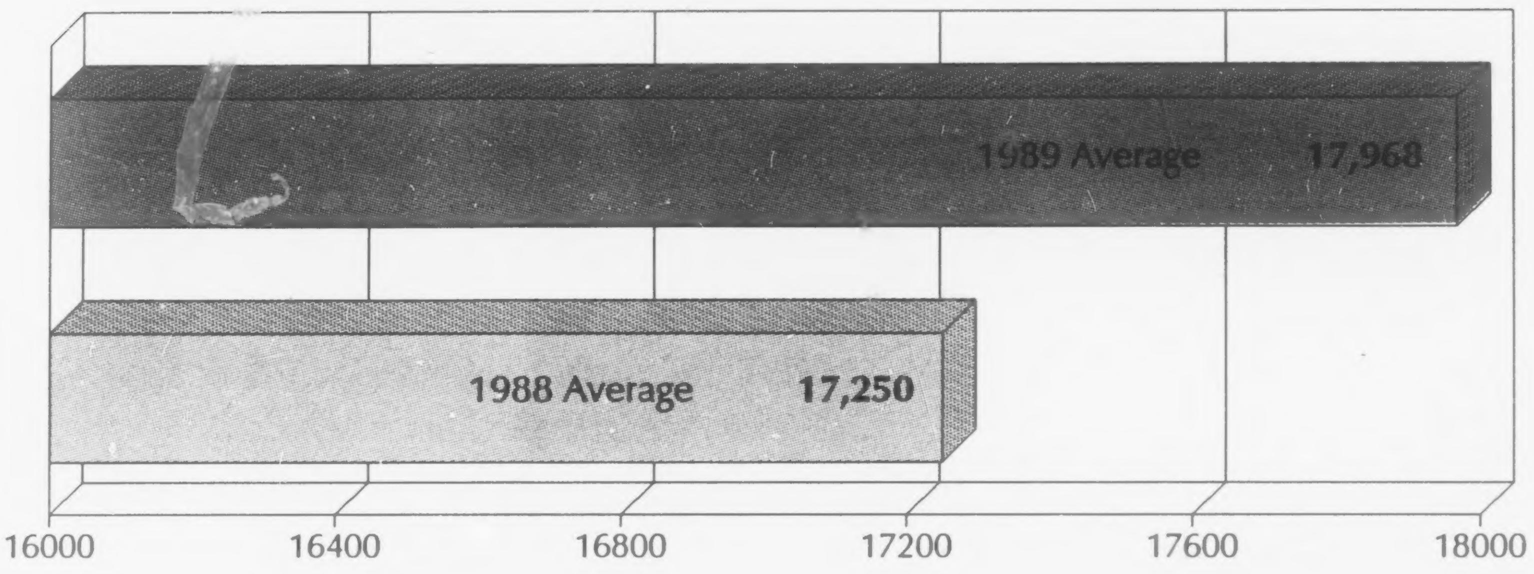
Eastern Lumber in Amesbury, Mass., improved profits by 25 percent despite a $1 million drop in sales by cutting its inventory nearly 40 percent to 15,500 stockkeeping units and, said sales manager Mike Johnson, "emphasizing markets, sometimes by sacrificing sales. We're trying to even both out this year."

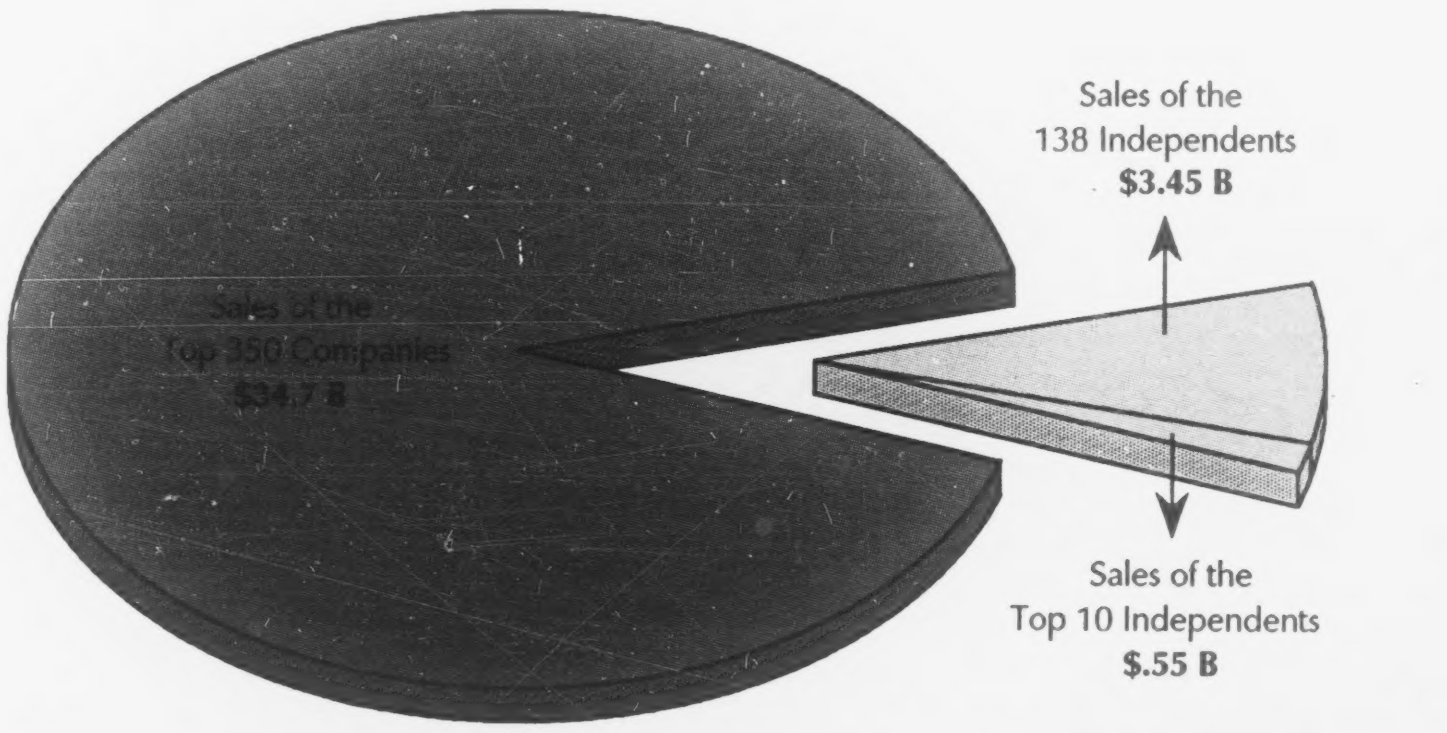
Millwork, K&B expanded

For many independents, though, making money was a struggle in 1989. Consequently, several companies are looking for new ways to generate sales, and that's meant adding new product categories and expanding their showrooms to accommodate more inventory.

Barrons Gaithersburg Lumber in Maryland, whose sales rose only 4 percent last year, bumped its sku total by 500 to 16,500, and added an appliance sales department that

Square Footage For Top Independents





Independents among the industry's top 350 retailers actually accounted for a slightly smaller percentage of total sales than in 1988. But the 10 largest independents increased their share of all independent sales to nearly 16 percent of the total.

A BRAND NEW WAY TO HEAT UP SALES!

Now you can offer your do-it-yourself customers a full range of commercial quality, supplemental heating units.

From installed baseboard, wall and floor models to portable single and dual wattage models, the Fahrenheat line has special appeal to the quality/style conscious upscale DIY market.

Plus, when the selling season heats up, Fahrenheat follows through to support you with powerful merchandising and consumer advertising programs.

Attention-getting network radio commercials

Quality Residential Heating Products

Circle 47 on Reader Service Card

Rank	Company	$ Mil. Sales 1989	Sales 1988	Employees 1989	1988	Sales Per $ Employee 1989	1988	Net Change $	% Change
1	East Coast Lumber, East Hampstead, N.H.	25	53	50	210	500,000	252,381	247,619	98.1
2	Golden State Lumber, San Rafael, Calif.	50	30	100	100	500,000	300,000	200,000	66.7
3	Grove Lumber, Ontario, Calif.	38	28	100	100	380,000	280,000	100,000	35.7
4	Sawyer Cleator Lumber Co., Osseo, Minn.	13	13	45	65	288,889	200,000	88,889	44.4
5	Yankee Supply Corp., Hollis, N.Y.	22	22	50	60	440,000	366,667	73,333	20.0
6	Columbia Lumber & Mfg., Columbia, S.C.	15	12	55	55	272,727	218,182	54,545	25.0
7	Eastern Lumber, Amesbury, Mass.	14	15	46	60	304,348	250,000	54,348	21.7
8	Champion Lumber, Riverside, Calif.	35	31	80	80	437,500	387,500	50,000	12.9
9	Chopp & Co., Brandywine, Md.	14	13	20	20	700,000	650,000	50,000	7.7
10	Mullen Lumber Co., Sudbury, Mass.	14	16	45	60	311,111	266,667	44,444	16.7
	Totals	240	233	591	810				
	Averages	24	23	59	81	413,458	317,140	96,318	35

NHCN chart

Rank	Company	$ Mil. Sales 1989	Sales 1988	Net Change	% Change
1	Golden State Lumber, San Rafael, Calif.	50	30	20	66.7
2	Grove Lumber, Ontario, Calif.	38	28	10	35.7
3	Lee Lumber & Building Materials, Chicago, Ill.	23	15	8	53.3
4	Central Valley Builders Supply, St. Helena, Calif.	27	20	7	35.0
5	Builders Supply, Omaha	40	33	7	21.2
6	Marling Lumber Co., Madison, Wis.	24	18	6	33.3
7	McLendon Hardware, Inc., Renton, Wash.	24	18	6	33.3
8	Midpac Lumber Co., Honolulu	33	27	6	22.2
9	Yaeger & Kirk, Santa Rosa, Calif.	35	29	6	20.7
10	Home Lumber, San Bernadino, Calif.	30	25	5	20.0
—	Westside Building Materials, Anaheim, Calif.	30	25	5	20.0
	Totals and Averages	354	268	8	33

NHCN Chart

features General Electric brand products.

Like many in the industry, a number of dealers expanded their millwork assortments. Buena Park Lumber in California expanded its showroom space by 2,000 square feet to 28,000 square feet to make way for a larger cabinet department and a new window and door department, according to its president John Nelson.

Fort Myers Lumber and Supply in Florida added a new truss plant and expanded its yard by five acres to accommodate its addition of Andersen windows and hollow metal doors this year. Midpac Lumber in Honolulu acquired two millwork brand names—West Tech Cabinets and Hurd Windows and Millwork.

The $33 million Midpac also accomplished "a major increase" in its plumbing department, said company president Michael Yoshida, a move that was in line with the dramatic expansion of high-volume, high-margin kitchen and bath lines by independents across the country.

> For many independents, making money was a struggle in 1989. Consequently, several companies are looking for new ways to generate sales, and that's meant adding new product categories and expanding their showrooms to accommodate more inventory.

H.G. Page & Sons, the Poughkeepsie, N.Y., dealer, added a new kitchen and bath department as part of its effort to expand retail sales from their current 35 percent of total company volume.

Christy's Supply in Medford, N.J., also added a K&B department as part of a much larger product expansion that included adding an area for lawn and garden and housewares, and expanding its assortments in paint, electricals, plumbing, hardware and lumber.

Company president Gerald Greene reports that all this inventory growth, which included a boost in skus by 14 percent to 40,000 items, called for a change in promotional activity, so the company initiated a new ad program. Christy's also gave lines more display space by doubling the size of one of its units and adding a third store last year.

Opening up the showroom

Christy's wasn't alone among independents who saw the need to break out of their lumberyard mold and give more selling area to products in their showrooms.

Ganahl Lumber, the Anaheim, Calif., dealer with three stores, saw its profits rise 57 percent in 1989, as it beefed up its departments for millwork and hardwood. Company president Peter Ganahl reports that his company will completely remodel two of its three stores in 1990.

O.C. Cluss, a two-store company in Uniontown, Pa., this spring was in the process of remodeling its units to revamp its kitchen and bath and millwork departments. The company, whose stores average 16,500 square feet, will also open a new 22,000-square-foot unit in Beaver County, Pa., this September.

Chopp & Co., a single-store independent in Brandywine, Md., in January 1989 moved out of an old facility it had operated out of for 26 years into a larger 6,000-square-foot store with a 36,000-square-foot warehouse on 18 acres. Michael Cannon, Chopp's president, said he saw a 3 percent rise in retail sales as a result.

While it was rare, some independents expanded their businesses through acquisition. Among these was Newkirk Ace Hardware in Rapid City, S.D., which this January purchased two independent stores in Tacoma, Wash., which Newkirk's vice president Fred Whiting predicts will add $3 million in sales to the company coffers this year.

Niche marketing

Other dealers see their future in developing new markets that are being created by new customer demand.

For example, Santa Barbara Home Improvement Center in California last year increased its product mix by 5,000 items to 40,000 and reoriented its assortment to include products that address serious water conservation and drought needs of its market, reported company vp Gary Simpson.

Matt's Cash & Carry Building Materials in Pharr, Texas, added a security department to its main store in response to growing homeowner concerns about thefts and break-ins.

It cannot be said, though, that independent dealers were abandoning their traditional home improvement customers. For some, "niche marketing" means drawing more remodelers into their stores, as is the case with Dooley's Hardware in Long Beach, Calif., which now opens its doors at 7 a.m. ◆

Support merchandising with consumer hand outs and newspaper ad slicks
INSTALLED MODELS
SAFE
Hard hitting point-of-purchase headers
High impact, full-color hard selling packaging
HOME
HOME IDEAS
Handyman
Exciting consumer ads in leading shelter magazines

RETAIL SCOREBOARD

California falls victim to sluggish sales growth projected for all

Home improvement sales in California, the nation's largest market for these products by far, and Los Angeles, its largest metro market, are projected to grow at a much slower pace this year, as states and cities nationwide are catching their second wind.

While only Delaware and Maryland are expected to see an overall decline in retail sales of lumber, building materials and hardware this year, most states—with few exceptions—will show single-digit increases in this business sector, according to recent projections by the *1990 Editor & Publisher Market Guide*.

The 50 states and the District of Columbia will produce retail home improvement sales of $111.1 billion, slightly less than 3.8 percent above 1989, reports *E&P*.

What's perhaps more surprising is how little growth individual metro areas are expected to experience. Even in Boston, where several of the industry's major chains will be expanding this year, sales expectations don't exceed those of the country.

Dealers in the top 50 metro markets should not anticipate huge percentage sales jumps. *E&P* estimates these markets will generate $46.1 billion in sales, a 3.3 percent increase over 1989 estimates.

California gridlock

Between 1988 and 1989, home improvement retail sales expanded by more than 11 percent in the Los Angeles metro market. But this year, L.A. becomes a symbol of the new, less volatile realities dealers there and throughout the nation are reporting.

L.A.'s sales in this business sector remain unsurpassed—an estimated $2.982 billion for 1990, or 2.7 percent of the nation's total. However, this market's sales represent only a 3.2 percent gain over 1989 revenues.

California, overall, is projected by *E&P* to expand by an anemic 0.2 percent to $12.4 billion this year. One factor affecting that calculation may have been the relatively weak performance by a number of the state's major retailers in 1989.

Builders Emporium's sales declined by 10 percent; Orchard Supply Hardware and Grossman's Northwest were flat; National Lumber filed bankruptcy.

There were home center dealers in the state, though, that reported healthy gains last year— the four-unit Barr Lumber in Los Alamitos increased its volume 27 percent to $79 million and opened its fifth store this year in Hun-

Rank	City (Metro Area)	1989 Bl'd mat'l Sales vol. $ mil.	1990 Bl'd mat'l Sales vol. $ mil.	Percent Change
1	Los Angeles	2,889.3	2,982.0	3.2
2	Chicago	1,870.1	1,944.7	4.0
3	New York	1,649.8	1,735.4	5.2
4	Atlanta	1,640.5	1,708.2	4.1
5	Boston	1,614.3	1,698.7	5.2
6	Philadelphia	1,610.4	1,672.0	3.8
7	Houston	1,589.4	1,636.6	3.0
8	Detroit	1,506.0	1,585.0	5.2
9	Nassau-Suffolk, N.Y.	1,311.6	1,379.5	5.2
10	Washington D.C.	1,293.8	1,335.1	3.2
11	Anaheim/Santa Ana, Calif.	1,269.8	1,317.4	3.7
12	Minneapolis/St. Paul, Minn.	1,242.0	1,308.3	5.3
13	Dallas	1,187.1	1,222.3	3.0
14	Riverside/San Bernardino, Calif.	1,045.3	1,080.1	3.3
15	Pheonix	1,063.2	1,079.3	1.5
16	St. Louis	1,023.5	1,055.5	3.1
17	Seattle	943.3	965.0	2.3
18	Tampa/St. Petersburg, Fla.	938.3	957.6	2.1
19	San Diego	898.9	932.5	3.7
20	Denver	896.2	907.5	1.3
21	Baltimore	844.5	872.9	3.4
22	Oakland, Calif.	835.7	863.5	3.3
23	Sacramento, Calif.	743.5	769.0	3.4
24	San Jose, Calif.	698.1	726.1	4.0
25	Pittsburgh	681.0	709.6	4.2
26	San Francisco	671.6	694.5	3.4
27	Newark, N.J.	676.7	692.8	2.4
28	Ft. Worth/Arlington, Texas	646.3	665.5	3.0
29	Miami/Hialeah, Fla.	639.1	654.7	2.4
30	Kansas City, Mo.	613.1	628.7	2.5
31	Austin, Texas	590.9	608.4	3.0
32	Orlando, Fla.	593.6	603.9	1.7
33	San Antonio, Texas	601.8	603.7	0.3
34	Charlotte, N.C.	562.9	591.5	5.1
35	Oklahoma City	562.1	581.9	3.5
36	Bergen-Passaic, N.J.	552.3	565.6	2.4
37	Cleveland	512.0	525.6	2.7
38	Indianapolis	509.5	524.3	2.9
39	Norfolk/Virginia Beach, Va.	506.1	518.1	2.4
40	Ft. Lauderdale/Hollywood, Fla.	498.8	517.9	3.8
41	Cincinnati	488.8	504.0	3.1
42	Monmouth-Ocean, N.J.	491.7	504.0	2.5
43	Salt Lake City	479.6	491.8	2.5
44	Columbus, Ohio	467.7	480.8	2.8
45	Hartford, Conn.	450.2	474.4	5.4
46	Middlesex/Somerset/Hunterdon, N.J.	453.7	465.7	2.6
47	Bridgeport/Stamford, Conn.	441.3	464.7	5.3
48	New Orleans	444.1	456.6	2.8
49	Milwaukee	434.5	442.4	1.8
50	Portland, Ore.	418.8	438.9	4.8
	Total and Averages	44,592.8	46,144.2	3.3

Source: Editor and Publisher

NHCN chart

Rank 1990	Rank 1989	STATE	Hardware, Lumber & Building Material Sales in $ Millions					Percent Change 89-90	5-Year Percent Change
			1986	1987	1988	1989	1990		
1	1	California	7,948,435	9,997,757	10,791,437	12,271,232	12,273,079	0.02	34
2	2	Texas	6,313,184	7,509,681	8,186,329	8,675,053	8,899,930	2.59	61
3	3	Florida	4,195,137	5,162,129	5,650,467	6,345,591	6,509,356	2.58	77
4	4	New York	3,814,453	4,582,843	5,035,120	5,449,515	5,680,246	4.23	69
5	5	Pennsylvania	2,936,517	3,612,726	3,764,572	4,197,617	5,389,077	28.38	84
6	6	Illinois	2,964,943	3,618,849	3,840,915	4,143,961	4,312,903	4.08	37
7	7	Michigan	2,374,984	2,910,076	3,228,616	3,685,578	3,864,746	4.86	45
8	8	Ohio	2,550,749	3,251,940	3,304,288	3,591,415	3,698,337	2.98	31
9	9	North Carolina	2,412,393	2,986,589	3,008,706	3,443,849	3,606,701	4.73	60
10	10	Georgia	2,042,085	2,513,539	2,687,019	3,123,212	3,242,769	3.83	84
11	11	New Jersey	2,035,217	2,531,165	2,666,903	3,095,050	3,174,269	2.56	77
12	12	Massachusetts	1,873,896	2,312,185	2,367,428	2,627,893	2,763,410	5.16	57
13	13	Minnesota	1,878,722	2,319,704	2,359,060	2,585,643	2,738,568	5.91	26
14	14	Virginia	1,611,855	1,992,567	2,171,252	2,443,539	2,499,484	2.29	41
15	15	Washington	1,596,108	1,857,296	2,037,892	2,310,926	2,369,929	2.55	40
16	17	Indiana	1,691,459	1,935,689	2,160,810	2,295,205	2,362,529	2.93	35
17	16	Missouri	1,665,076	1,884,267	2,074,472	2,300,571	2,216,729	– 3.64	28
18	18	Wisconsin	1,473,909	1,835,569	1,912,585	2,112,457	2,153,888	1.96	35
19	19	Louisiana	1,588,127	1,811,675	2,062,052	2,045,389	2,112,681	3.29	69
20	20	Colorado	1,432,574	1,716,211	1,888,142	2,017,001	2,048,875	1.58	40
21	21	Tennessee	1,272,002	1,592,722	1,674,766	1,865,293	1,909,074	2.35	22
22	23	Arizona	1,102,386	1,438,382	1,491,799	1,719,860	1,745,963	1.52	60
23	22	Maryland	1,236,459	1,486,190	1,514,491	1,747,803	1,699,499	– 2.76	70
24	24	South Carolina	1,092,096	1,351,933	1,427,049	1,567,535	1,646,669	5.05	60
25	25	Alabama	1,503,104	1,305,816	1,393,934	1,560,034	1,593,940	2.17	33
26	26	Oklahoma	1,277,661	1,433,516	1,504,480	1,528,272	1,581,999	3.52	37
27	27	Iowa	1,070,011	1,216,762	1,440,189	1,504,156	1,559,114	3.65	28
28	28	Connecticut	1,027,674	1,283,859	1,322,763	1,457,802	1,536,052	5.37	62
29	29	Kentucky	1,043,113	1,217,250	1,330,516	1,423,549	1,500,670	5.42	33
30	30	Kansas	858,957	1,008,600	1,167,170	1,218,105	1,247,333	2.40	33
31	31	Oregon	767,286	922,787	1,019,000	1,142,276	1,193,102	4.45	11
32	32	Arkansas	703,976	841,886	902,357	1,002,414	1,043,675	4.12	30
33	33	Mississippi	701,845	847,374	854,168	929,210	977,944	5.24	62
34	34	New Hampshire	531,621	694,703	744,458	882,097	931,023	5.55	76
35	35	Nebraska	601,064	708,287	827,001	866,559	911,132	5.14	56
36	36	New Mexico	580,742	712,666	770,792	834,326	837,488	0.38	67
37	38	West Virginia	576,380	667,297	763,813	766,330	807,488	5.37	21
38	37	Utah	537,778	656,632	735,398	784,096	802,164	2.30	38
39	39	Maine	464,828	586,375	600,681	678,921	715,009	5.32	50
40	40	Alaska	545,962	633,406	638,160	651,579	662,659	1.70	159
41	41	Nevada	407,481	510,584	546,948	603,188	632,675	4.89	49
42	42	Idaho	368,179	427,215	471,813	504,145	531,606	5.45	1
43	43	Montana	354,120	404,342	482,538	499,904	508,614	1.74	7
44	44	North Dakota	353,495	406,991	423,181	407,573	430,608	5.65	– 11
45	45	Vermont	269,517	340,854	346,453	405,748	422,412	4.11	89
46	46	South Dakota	288,888	329,656	368,370	392,159	413,961	5.56	22
47	47	Rhode Island	263,713	320,001	332,005	365,261	385,925	5.66	59
48	49	Wyoming	265,903	305,203	324,820	323,825	339,623	4.88	49
49	50	Hawaii	216,809	261,098	288,159	321,736	337,905	5.03	130
50	48	Delaware	227,410	278,697	308,184	338,437	269,248	–20.44	17
		Total:	74,910,283	90,533,541	97,213,521	107,052,890	111,092,080	3.77	48

Source: Editor and Publisher

NHCN Chart

tington Beach; the four-store Builders Discount in North Hollywood grew by 34 percent to $67 million; Dixieline Lumber and The Terry Cos. were up 15 and 17 percent, respectively.

Pennsylvania to thrive?

As reported elsewhere in this issue, Pennsylvania is expected to be one of the states whose retail home improvement business will remain vibrant through the mid 1990s, primarily on the strength of its manufacturing and medical service sectors. And this year, *E&P* projects that Pennsylvania will be the only state with double-digit sales growth.

Oddly enough, however, the state's resilience is not expected to hold up in its two largest cities, as *E&P* foresees Philadelphia's and Pittsburgh's revenues increasing by only 3.2 and 4.2 percent, respectively.

The sluggish sales last year by several Pennsylvania-based retailers may have set the stage for *E&P*'s estimates. 84 Lumber saw its volume drop 6 percent to $800 million; Mr. Goodbuys was off 17 percent; Busy Beaver, O. C. Cluss and M.L. Claster's were flat. Shelly Enterprises was off 17 percent.

There were some hopeful signs that could support *E&P's* statewide predictions: Lezzer Lumber's seven stores increased sales by 11 percent to $50 million. Fagen's, the 14-unit operation, grew by 14 percent to $81 million.

Have Florida, Texas peaked?

Over the past five years, Florida and Texas have been flip sides of the same home improvement sales coin. Each has increased its population significantly, and has seen many of the industry's biggest companies follow that southward migration.

And even though each state has gone its separate way economically— Florida boomed while Texas busted—they remained in the forefront of generating home improvement revenues.

That, though, may be a thing of the past, as both Texas and Florida are expected to expand this business sector by only 2.6 percent in 1990. And a perusal of these states' largest cities finds that sales in Houston (which *E&P* projects will grow by only 3 percent to $1.64 billion), Dallas (3 percent), Tampa/St. Petersburg (2 percent), Miami/Hialeah (2.4 percent) and Orlando (1.7 percent) don't offer much hope for any immediate rebound.

Some of the home centers in those and other markets in Florida and Texas give some weight to these projections by their sales last year. Scotty's, Florida's largest chain, grew by only 3 percent in 1989; Builders Square, based in San Antonio and having many of its units in Texas, was flat; Holmes Lumber in Jacksonville was down 3 percent.

Those looking for the half-full, as opposed to half-empty glass, will find some solace in the fact that other dealers in these states continue to squeeze sales gains out of their stores: Cox Lumber in St. Petersburg saw its 13 stores produce 20 percent more sales last year; Stripling Blake in Austin rose by 8 percent to $26 million.

New England chowder

Despite the relative travails of the big population states, it does not appear likely that New England, the erstwhile land of opportunity, is going to supplant any other market in importance as a home improvement mecca in the near term.

Sales in the Boston market, by *E&P's* estimates, should rise by 5.2 percent to $1.699 billion. This projection is made within the context of several major companies, such as Home Depot and HomeQuarters Warehouse, who plan to open units in this market this year.

New England as a whole will be slogging through the same slow-growth mud as the rest of the country, only at a slightly more accelerated pace. Its six states will generate an estimated $6.75 billion in retail home improvement sales this year, which represents 6 percent of the nation's total and a 5.2 percent increase over what the region did in 1989. ◆

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What's more dependable...

ArvinAir's new Personal Heat/Fan (Model 29H35)–the result of our decades of heating technology combined with the latest in cost-saving manufacturing methods.

Two-heats (1000/1500 watts) and a fan-only setting for cooling in an attractive two-tone gray cabinet with all the safety features your customers have come to expect from ArvinAir.

Model 29H35

powerful...

High-tech black and red styling puts this powerful Mini Furnace in a class of its own. Small in size only, this two-heat ceramic look-alike will help round off your ArvinAir Heat/Fan line. The MC20 has a fan only setting for cooling & convenient carrying handle. Best of all it carries the ArvinAir reputation and guarantee of customer satisfaction.

Model MC20

and versatile...

ArvinAir has been known for decades for its state-of-the art product development and innovation. We prove this again with the introduction of Model 29H70 our Deluxe 3-in-1 Heat/Fan. This stylish two-tone gray model can be used as an upright heater/fan, the detachable base can be mounted for use as a wall heater, leave the bracket mounted to the wall and unclip the heater/fan for use as a free-standing portable wherever needed...now that's versatility...that's ArvinAir!

Model 29H70

than the sun?

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ArvinAir – leading the industry in product development, innovation and a commitment to customer satisfaction.

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Circle 48 on Reader Service Card

Top 10 companies outpace industry in 5-year growth

The industry's 10 largest retailers as a group have grown in sales over the past five years at a rate far exceeding that of building material and hardware dealers nationwide.

The top 100 companies also enjoyed sales growth during this same period at a rate that loped past the industry as a whole, according to an analysis of sales by *NHCN*.

But the growth at the top has been almost entirely attributable to the warehouse phenomenon. Adding the last five years' sales together, Home Depot, HomeClub and Builders Square collectively generated 26.4 percent of the $62.5 billion raked in by the top 10 companies.

But excluding the warehouse revenues, sales of the remaining seven companies on the 1989 list were only 2.2 percent higher than the nine non-warehouse companies in top 10 in 1985, when Home Depot was the only warehouse operator big enough to be included.

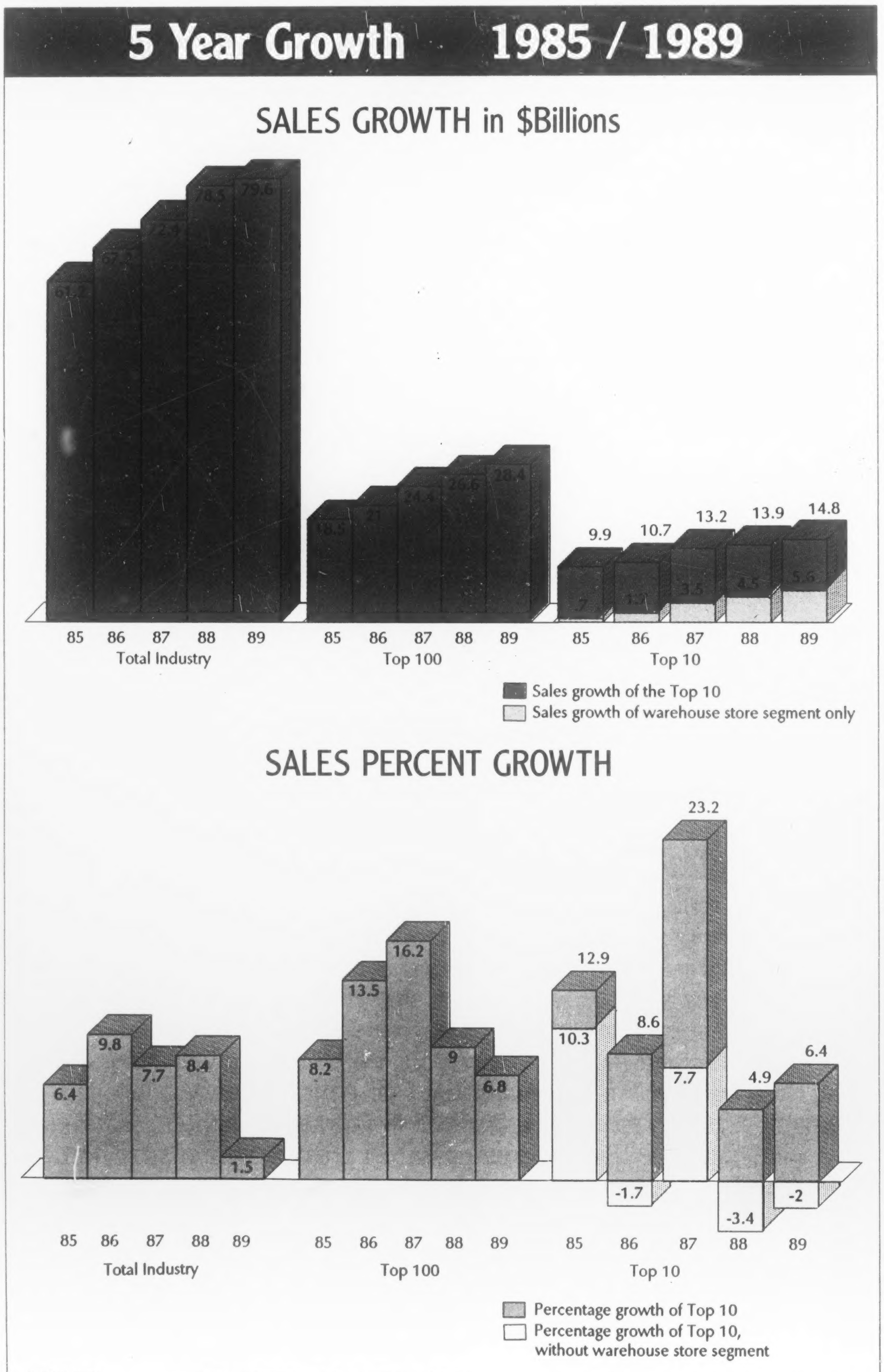
> *The fast growth at the top is attributable mainly to the warehouse phenomenon*

Big companies accelerate growth

With the warehouses, the 10 largest companies improved their sales over these past five years by more than 50 percent coming to a total in 1989 of $14.8 billion.

Consistently during this period the top 10 have accounted for more than half of the sales of the top 100 companies, and last year made up one-fifth of the

(Continued on page 84)



NHCN Charts   Sales are taken from each respective year's listing   Source: *NHCN* Research, U.S. Department of Commerce

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PLUMBING/FAUCETS
1989

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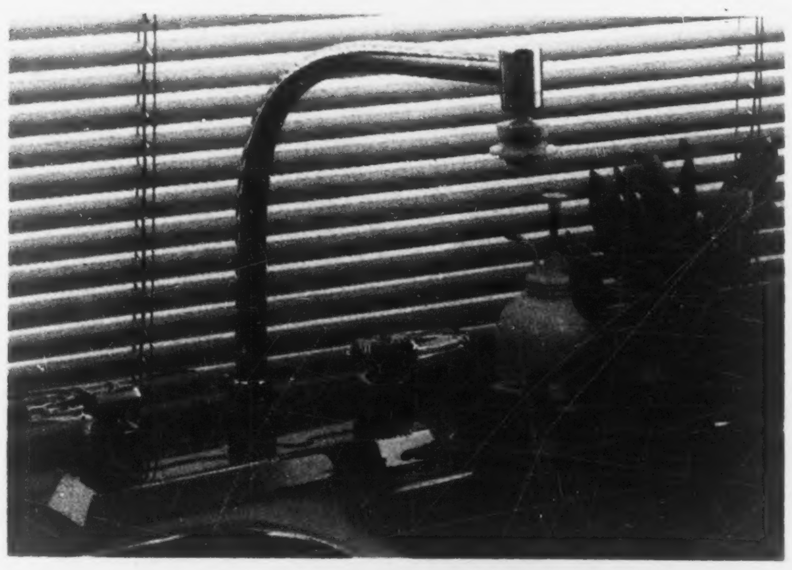

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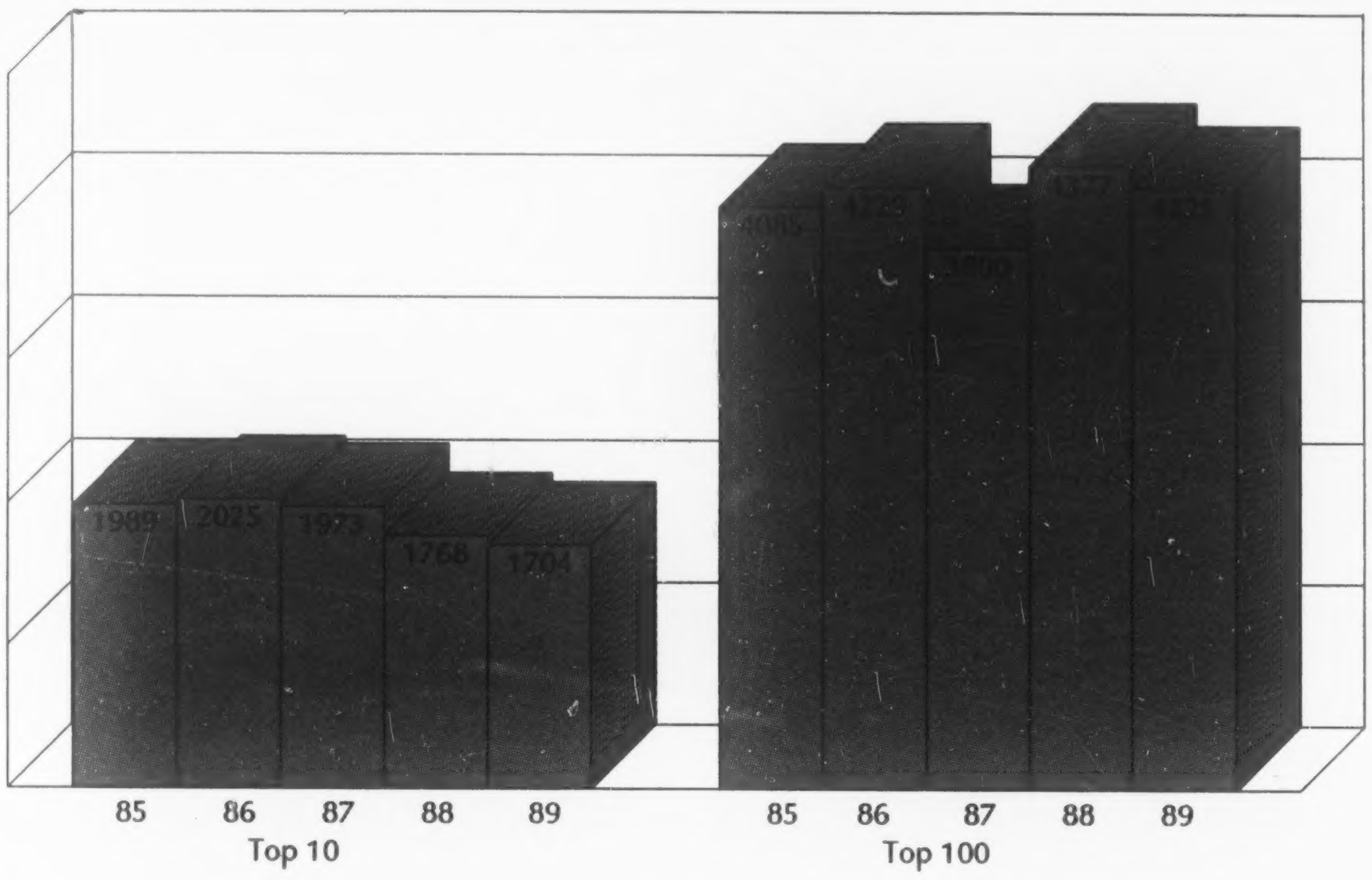
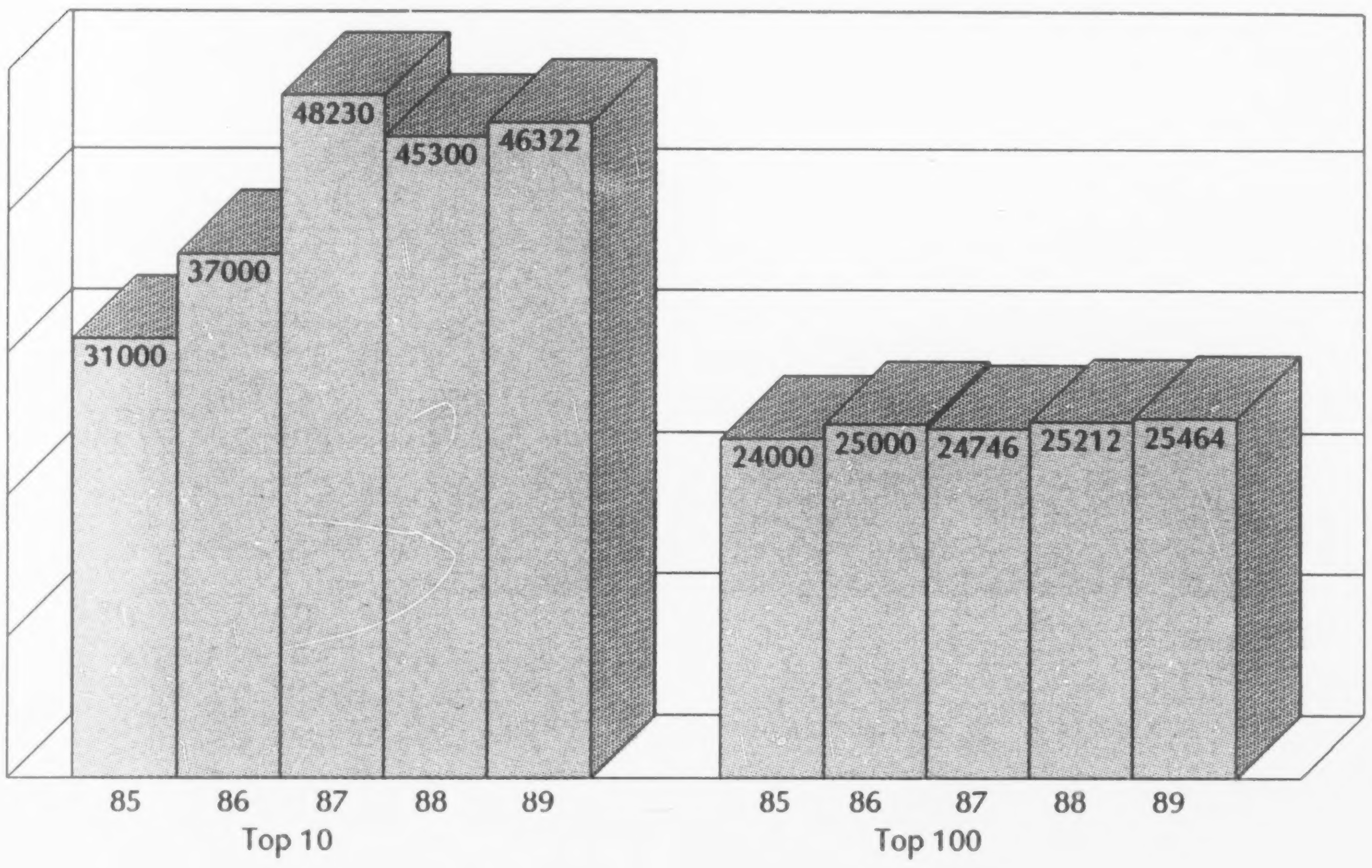
5 Year Industry Productivity 1985 / 1989

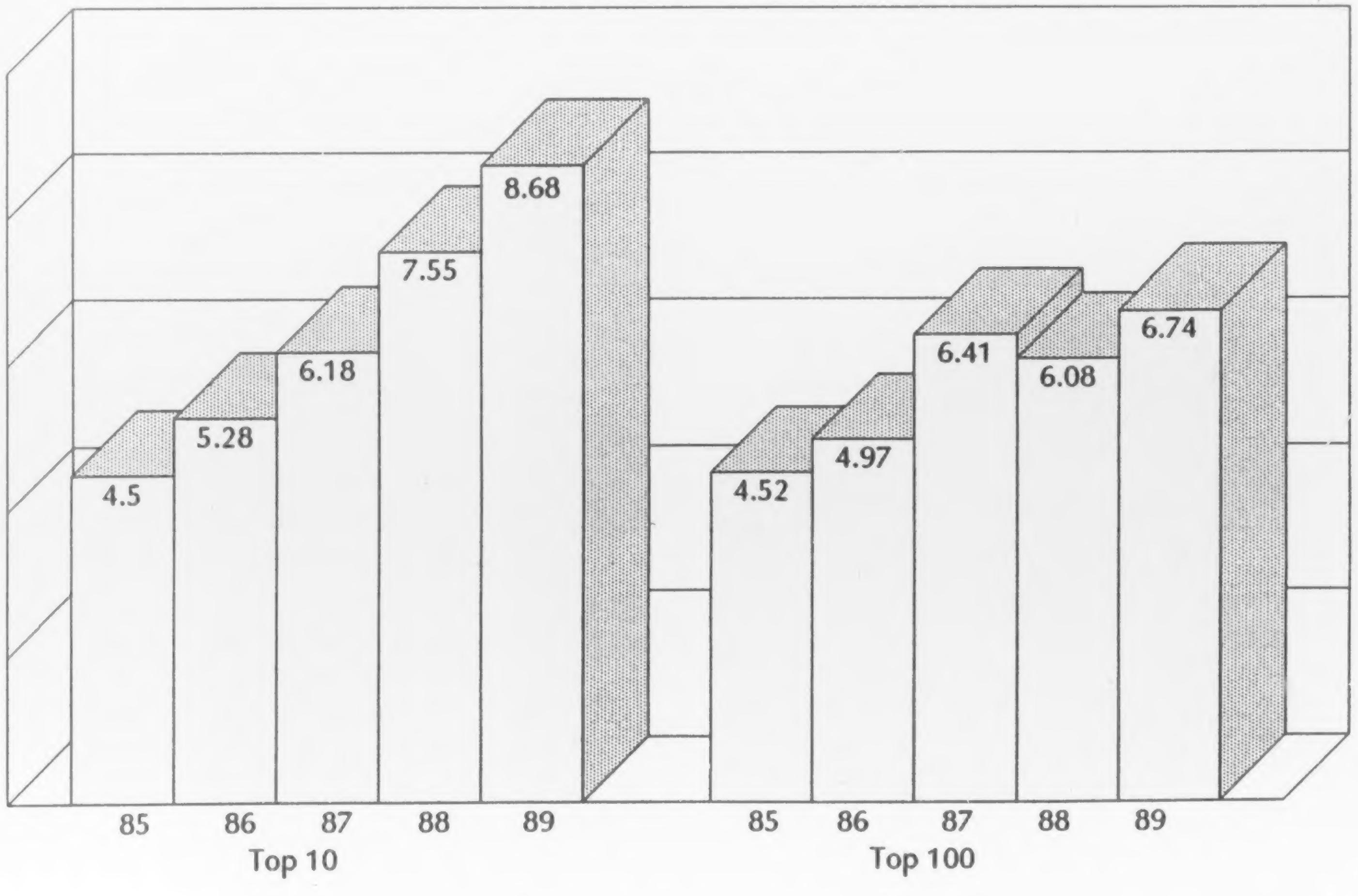
STORE UNIT GROWTH



AVERAGE STORE SQUARE FOOTAGE GROWTH



SALES PER STORE GROWTH in $Millions



NHCN Charts

Sales are taken from each respective year's listing

Source: *NHCN* Research, U.S. Department of Commerce

The 10 largest companies in the industry keep taking a bigger piece of the home improvement sales pie, despite the fact that the number of stores that are operated by these companies has been declining over the past half decade.

The reason for this steady productivity has been the extent to which the industry's largest dealers have been expanding existing units, mostly as a way to bring on a broader assortment of inventory and new products.

As the accompanying chart shows, the sales per store for the top 10 companies has nearly doubled since 1985. In fact, when one calculates each company's sales per store, adds them together and divides that number by 10 (as opposed to dividing the total stores operated by the top 10 into their aggregate sales, as was done in the chart), one finds that sales per store for the group averaged $10.54 million, compared to $6.06 million in 1985.

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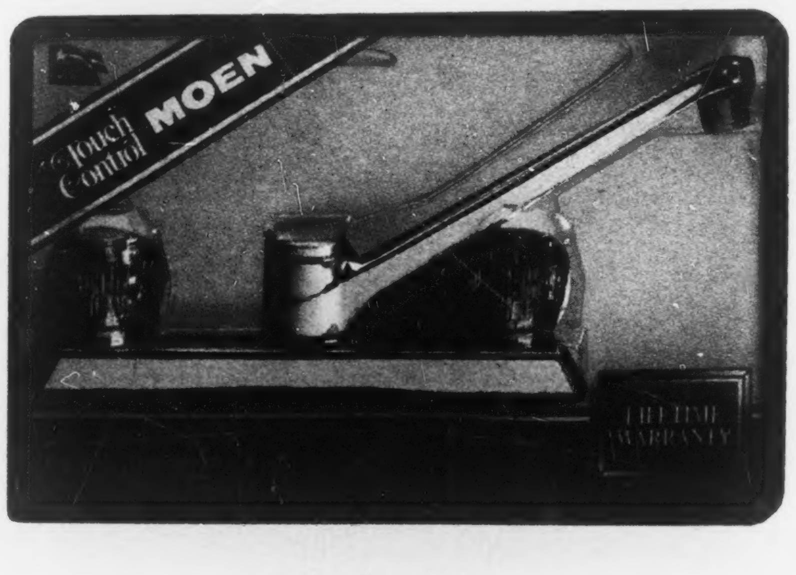

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Circle 52 on Reader Service Card

Growth of Top 100 companies was three times faster than industry

(Continued from page 82)

$79.6 billion generated by all home improvement stores, according to Commerce Department figures.

When broken down more generally, the numbers show how the industry has consolidated in the recent past. In 1985, the $18.5 billion generated by the top 100 firms was equal to 30 percent of the $61.2 billion produced by all building materials and hardware stores as calculated by Commerce. Last year, these 100 companies accounted for 36 percent of the total.

The impact of the largest companies has, over the past half decade, negatively affected the performance of those smaller chains or independents which unquestionably are having trouble defending themselves against the encroachment of larger competitors, or are locked into a declining home building market.

Home building sags

This was never more evident than in 1989, when the industry as a whole crawled along at a less-than-2 percent clip, while the top 10 companies expanded their sales at a rate six times faster and the top 100 grew more than three times faster.

The question, though, is whether 1989 is the beginning of a trend or an aberration, as over the previous four years the industry pretty much kept pace with the larger companies. Its sales growth may not have been as robust, but it was healthy nonetheless.

For example, in its recently released 1989 Bottom Line Report, the National Retail Hardware Association showed that smaller dealers fared all right during this period. Between 1984 and 1988, the latest year tracked, the 137 mostly independent dealers who participated in NRHA's study reported that their sales had risen collectively nearly 60 percent to $4,595,421 per company.

Over the years 1986-88, these retailers' sales increased at an average annual rate of more than 20 percent.

The industry as a whole, based on Commerce Dept. data, may not have been as flush as this select group, but it expanded apace. As the charts on page 82 show, total industry sales for the years 1985 and 1988 grew at an average annual rate of more than 8 percent.

Then last year, the bottom dropped out, primarily because of the stagnant housing market that cut deeply into contractor-oriented retailers' sales.

The 138 companies among *NHCN*'s *Top 350 Retail Scoreboard* that operate three or fewer stores got only around 28 percent of their sales from retail transactions, and saw their revenues increase by less than 1 percent.

Square footage binge

That the top 10 and 100 have been able to weather the steep downturn in the home improvement industry as a whole appears to be attributable, at least in part, to how willing they've been to increase their showroom space and more broadly assort their stores to cater to DIYers and remodelers. This is particularly true for the 10 largest companies.

This group has seen its average store size enlarge by nearly 50 percent over the past five years to 46,322 square feet. Over the same period, these same companies' sales per store have skyrocketed by 94 percent to an average of nearly $9 million.

Compare that to the top 100: store size among these companies has grown by a respectable 6 percent over this time frame to an average of 25,464 square feet. Their aggregate five-year sales per store growth increased by an average of 49 percent.

However, when one factors out from the top 350 companies the square footage of the 10 largest chains—which includes the industry's Big Three warehouse operators—the remaining chains and independents would have stores that averaged only 17,320 square feet, or about two-fifths the size of the biggest companies' units.

Those companies on *NHCN*'s list not among the top 10 saw their sales expand by only 1.6 percent last year to $19.4 billion.

Store growth slowed

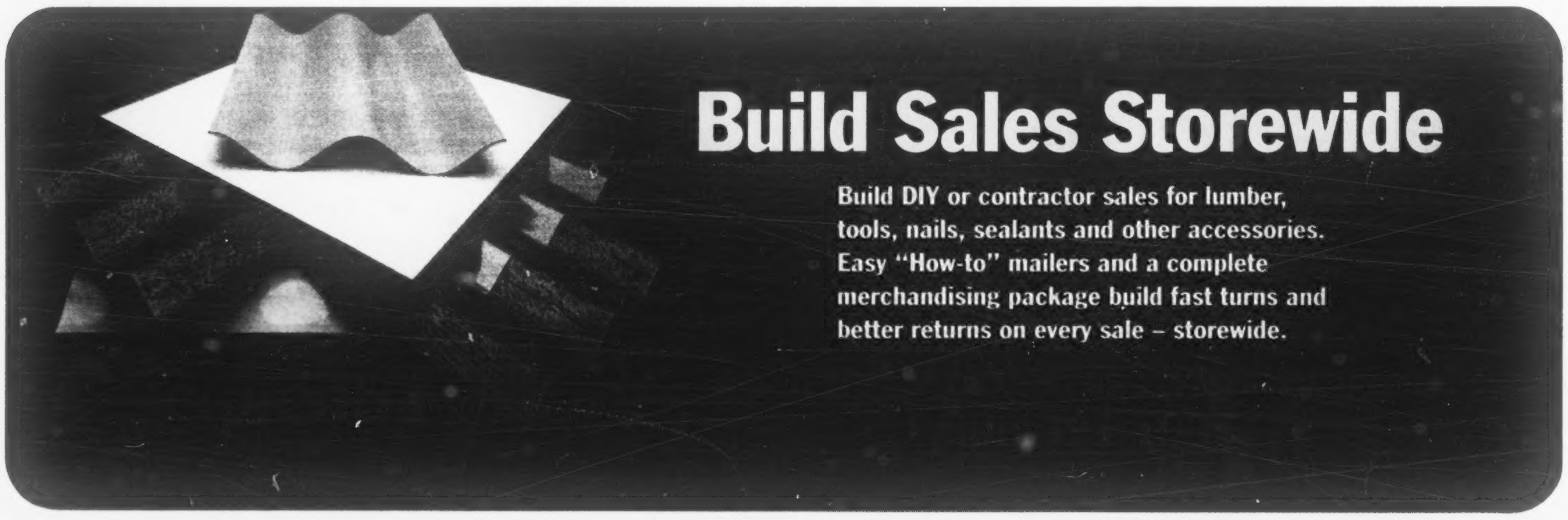
One of the interesting byproducts of this square footage trend was that it has happened within the context of slower new store expansion and the move by dealers to close unproductive stores.

In the mid 1980s, it appeared that the market was bottomless and could absorb any number of stores.

While the warehouse segment of the industry exploded—going into 1990, there were more than 340 warehouse stores operated by Home Depot, Builders Square, HomeClub, Mr. Goodbuys and HomeQuarters Warehouse—the top 350 companies, as a group, actually lost 135 stores for a total of 5,479.

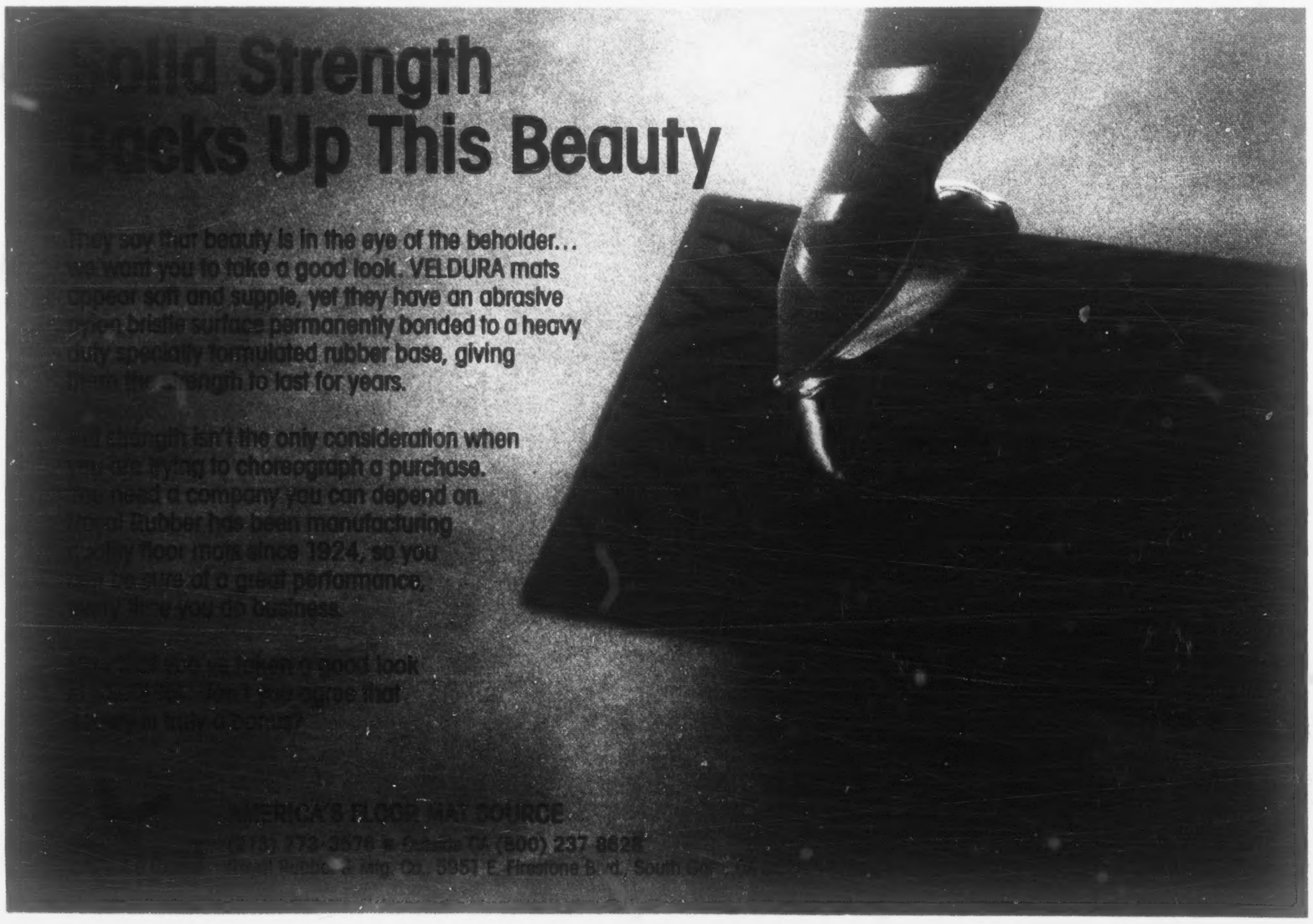
Among the larger and more expansion-conscious operators, this trend has been prevalent over the past half decade. Even with the number of stores the warehouse dealers have added in this period, the top 10 actually declined in total stores more than 14 percent to last year's 1,704.

That decline was spurred by 84 Lumber and Channel, which respectively closed 35 and 71 stores in 1989 alone. ◆


Build Sales Storewide

Build DIY or contractor sales for lumber, tools, nails, sealants and other accessories. Easy "How-to" mailers and a complete merchandising package build fast turns and better returns on every sale – storewide.

Circle 53 on Reader Service Card


Solid Strength Backs Up This Beauty

They say that beauty is in the eye of the beholder... we want you to take a good look. VELDURA mats appear soft and supple, yet they have an abrasive [illegible] bristle surface permanently bonded to a heavy duty specially formulated rubber base, giving them the strength to last for years.

[illegible] strength isn't the only consideration when you are trying to choreograph a purchase. [illegible] need a company you can depend on. [illegible] Rubber has been manufacturing quality floor mats since 1924, so you [illegible] of a great performance, [illegible] time you do business.

[illegible] good look [illegible] agree that [illegible]

[illegible] AMERICA'S FLOOR MAT SOURCE

[illegible] 772-3570 [illegible] (800) 237-8628

[illegible] Rubber & Mfg. Co., 5951 E. Firestone Blvd., South [illegible]

Circle 54 on Reader Service Card

National Outlook: *Commodities sales to rise, but slower*

By Richard Mount
Special to NHCN

Through 1995 building materials retailers face a rising trend in sales, although the rate of gain will become less in the later years of this outlook. From 1985 to 1989 retail building material sales increased 7.4 percent; from 1990 to 1995 we expect a gain of 6.8 percent.

Major changes for the economy include:

- reductions in defense spending;
- acceleration of exports to Europe;
- energy prices beginning to rise, more rapidly after 1992;
- recovery in office and hotel construction by late 1991 or 1992;
- globalization of markets—firms will need to adjust both to the bigger markets and the increased competition;
- increased rebuilding of highways, sewers and water supply systems.

The economy is slowing in 1990 as consumer spending eases, defense cut backs intensify and export markets become less robust.

Housing remains pressured due to overbuilding, affordability problems and financial difficulties at lending institutions. By the second half of 1990, interest rates will begin to ease slightly in the face of lower inflation, paving the way for a slower recovery in housing.

The reduction in East-West hostilities will be a plus for the overall economy in 1991. The immediate change will be a rise in exports and domestic investments that should more than offset the cut backs in defense. Total growth will begin to accelerate while inflation continues to moderate. This will permit lower mortgage rates and stronger housing. New starts will respond faster than resales, especially in the new multiunit housing sector. Residential upkeep and improvement will be experiencing its fastest recovery at this time.

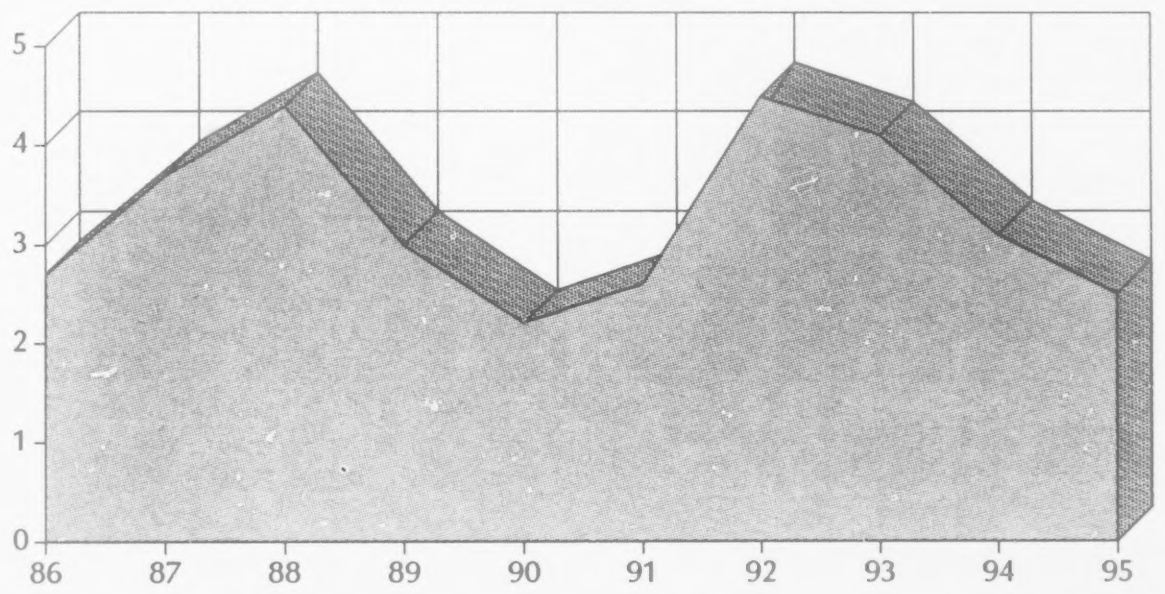
The period of 1992-1993 should be the strongest years for the economy during the forecast period. Housing and nonresidential construction markets will both be in recovery, capital spending will be on the rise and consumer income will increase rapidly.

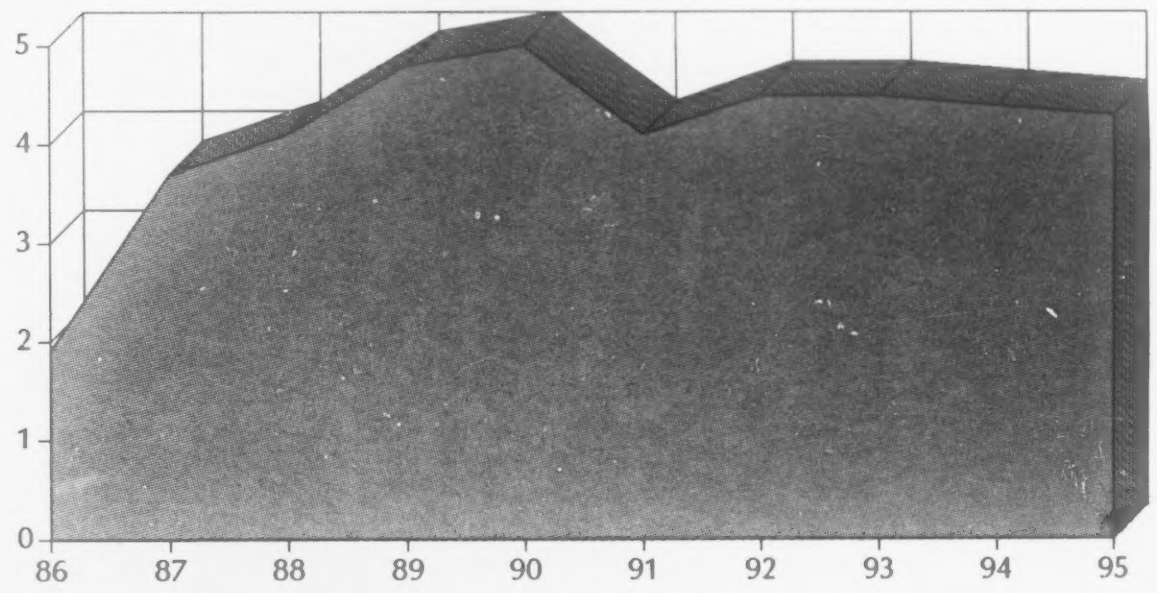
By 1994, growth will begin to ease as the industries move out of the fast snap-back phase of a typical cycle and enter a period of sustainable growth. While inflation and mortgage rates should continue to ease at this time, housing will begin to feel the pressures from weak demographic demand on first time housing. The aging of the post war baby boom will increase the demand for upscale housing.

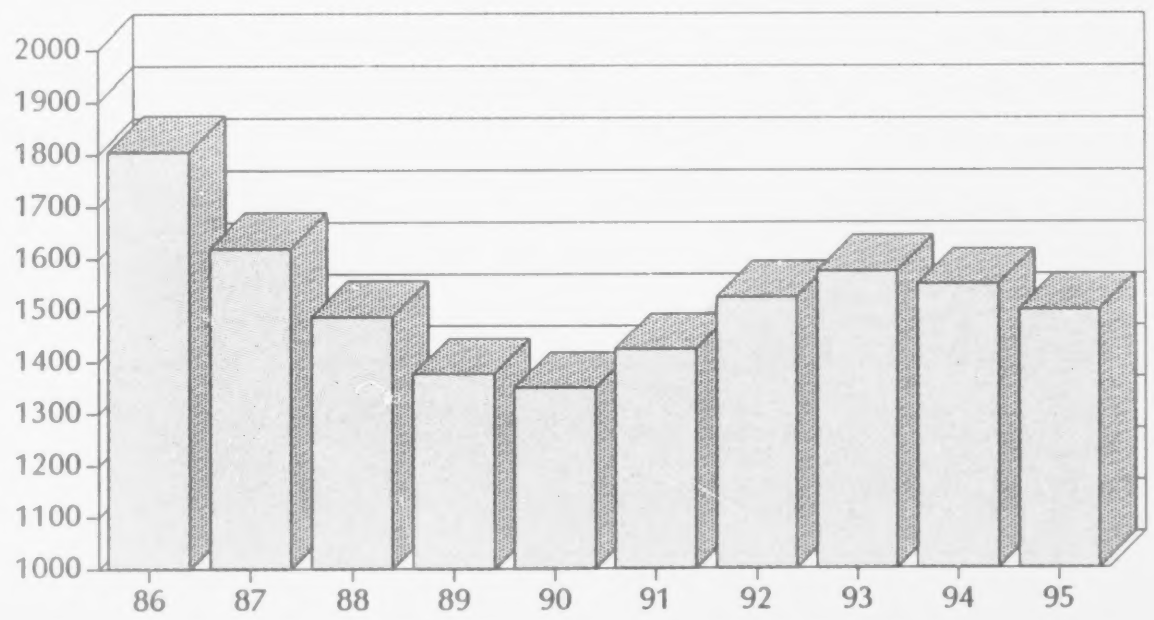
For building materials retailers, the first half of the 1990s promises to be a period of strong sales propelled by a recovery of new housing and resales, higher household incomes and strengthening in the improvements and upkeep of existing homes. Sales gains should moderate in the later years of the forecast. There will be a growing international market that should not be overlooked.

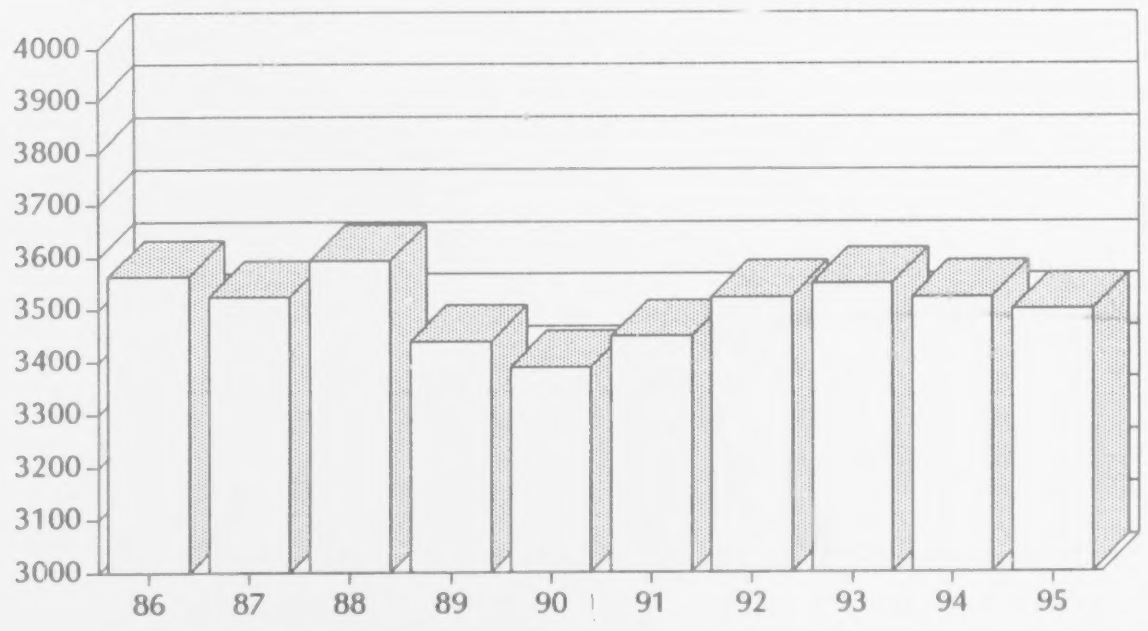
Richard Mount is president and chief economist with Mount Economic Consulting

Causes

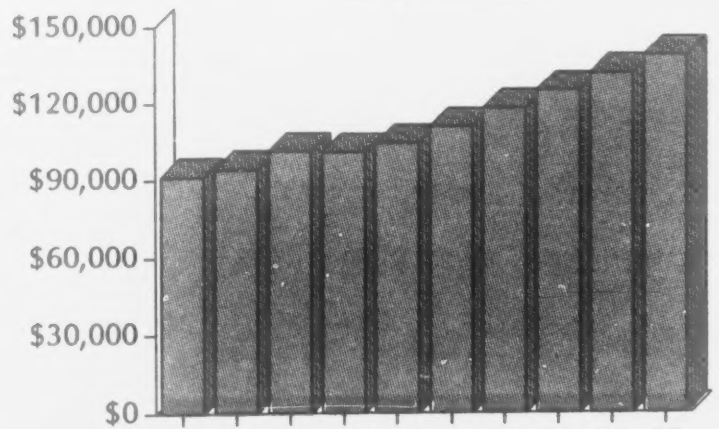

Real GNP Growth
(Percent Change)

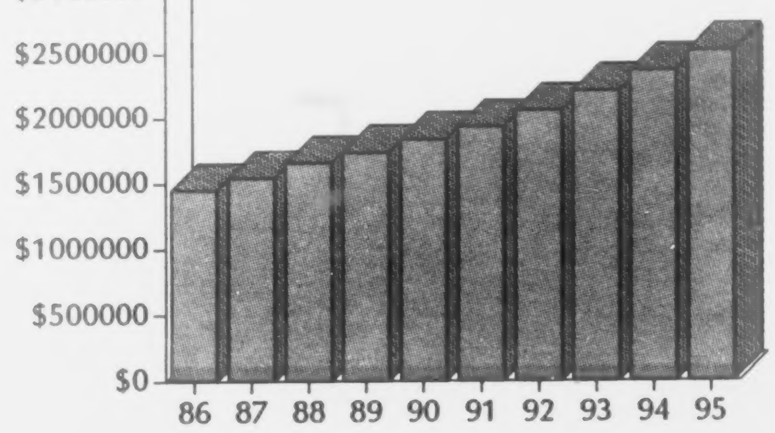

CPI Percent Change

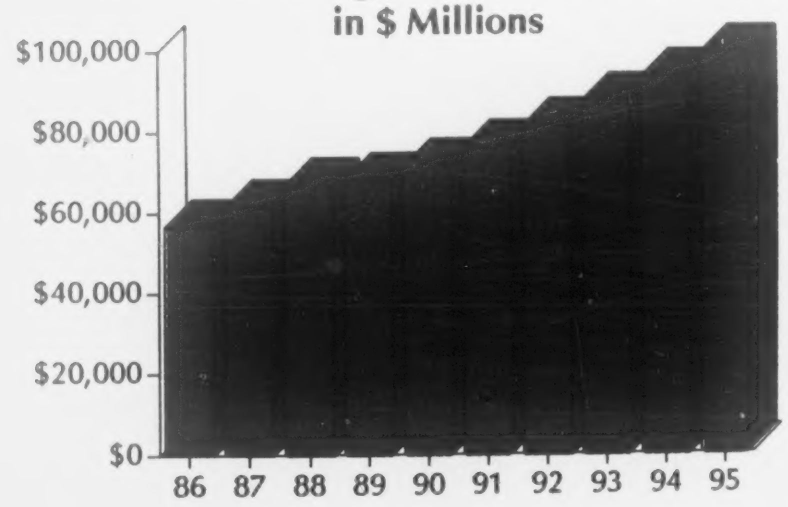

Housing Starts
(000 Units)


Resales
(000 Units)

Effects


Upkeep and Improvement
in $ Millions


Total Retail Trade
in $ Millions


Building Material Sales
in $ Millions

Data for all charts: Dept. of Commerce / Bureau of Labor Statistics / National Association of Realtors / Dept. of Housing and Urban Development

SAAR = Seasonally Adjusted Annual Rate / p = projection / *NHCN* Charts

RETAIL SCOREBOARD

Regional Outlook: *Variations will reverse in next five years*

Regional variations in building materials demand will persist in the 1990s due to the business concentration of each area. However, there is a transition in the economy occurring that will cause many of the strongest regions to weaken.

Energy will play a major role in the regional variations in the 1990s. The natural gas surplus is declining and world oil prices should begin to increase in the 1990s. The Mountain states should be the strongest economy and market for building material sales in the 1990s.

The upturn in energy prices will increase mining activity across the region, while Nevada will remain the fastest growing state in the nation because of services with a growing housing market of older households leaving California.

The West South Central states will be the second strongest market, also due to improvements in energy drilling. The market is currently emerging from a localized recession, so that gains in building material sales during 1990-1991 could be well above average. Texas should be its strongest state, as it will enjoy a rise in retirement housing.

Exports will be another driving factor in the regional outlook. The East North Central states could be the third strongest region, fueled by durable goods exports and higher domestic capital spending.

The West North Central is currently in recovery as the farm sector recovers. Minnesota, with its computer industry, will benefit from the rise in capital spending. Increased exports of agricultural products will continue to boost the entire regional economy. The East South Central division will benefit from both exports and energy.

Defense spending is being reduced, and the cuts should intensify over time. The Pacific division will be harmed, especially California which has the highest level of defense spending in the nation. California also faces increased home-grown, slow-growth policies that are aimed at reducing pollution and congestion. Washington and Alaska should be the strongest markets in the region.

The South Atlantic region will face slightly slower growth than the national average, although the gap will not be as large as in the recent past. The region will be harmed by reductions in defense spending, but will enjoy gains in exports, high technology, favorable labor rates, taxes and energy prices.

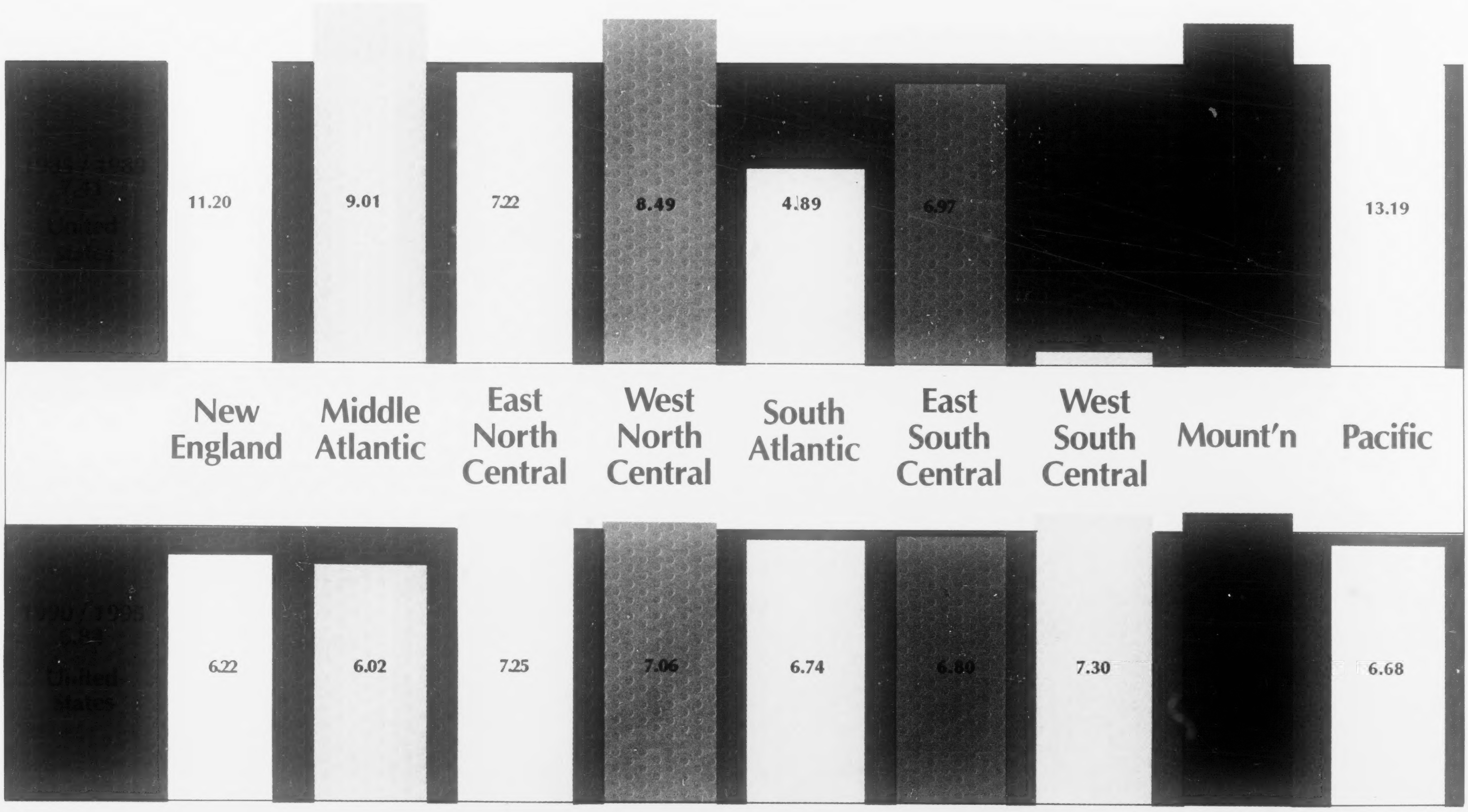
The Middle Atlantic states are suffering from construction overbuilding, cutbacks in defense, and reduced payrolls on Wall Street. Pennsylvania should be the best market in the forecast period because of its manufacturing and medical services. Long Island, N.Y., faces tough times because of defense cuts.

New England could be the softest market. It is currently in a near-recession with total employment down 0.3 percent from a year ago. New housing is weak due to overbuilding; defense cutbacks will harm Massachusetts and Connecticut; high home prices and labor rates; and higher energy prices will harm this region more than others.

On the positive side, the overbuilding will be absorbed and New England enjoys the highest per household income in the nation, $60,241 versus the $50,027 national level.

The regional forecast through 1995 paints a far different picture for building material sales than in the 1980s. Energy markets should rebound while defense weakens. Financial services now face problems while manufacturing, especially exports, will fare well. For building material retailers, the first half of the 1990s promises to present years of opportunities with continued variations of regional growth.◆

Building Materials Sales Percentage Growth



Building Materials Sales in $ Millions

United States	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
1985: $50,766	1985: $2,376	1985: $5,894	1985: $9,269	1985: $3,775	1985: $10,145	1985: $2,829	1985: $6,680	1985: $2,679	1985: $7,119
1989: $67,563	1989: $3,633	1989: $8,323	1989: $12,249	1989: $5,230	1989: $12,279	1989: $3,704	1989: $6,756	1989: $3,705	1989: $11,684
1995: $99,147	1995: $5,086	1995: $11,372	1995: $18,154	1995: $7,852	1995: $17,916	1995: $5,384	1995: $10,341	1995: $5,671	1995: $17,371

RETAIL SCOREBOARD

Company & Rank

(Continued from page 68)

United Building Supply 338
Richard Evans, President
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(907) 243-7030 (fax)

Valu Home Centers 52
James M. Arena, President
(716) 825-7377 (phone)
(716) 825-2133 (fax)

Vannote Lumber 323
Dennis Rittenhouse, President
(201) 899-9663 (phone)
(201) 341-6959 (fax)

W.H. Conyngham & Co. 204
G. Conyngham, President
(717) 823-1181 (phone)
(717) 824-2514 (fax)

W.T. Harvey Lumber 252
Wilfred Gross, President
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(404) 323-2433 (fax)

Wallich Lumber 186
Markham Heid, President
(313) 491-5151 (phone)
(313) 491-5140 (fax)

Walter & Jackson 237
R.B. Walter II, President
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(215) 593-5195 (fax)

Webber Lumber & Supply 80
William Nebes III, President
(508) 852-4400 (phone)
(508) 856-9521 (fax)

West Elizabeth Lumber 329
W.R. Hoag, Chairman
(412) 384-3900 (phone)
(412) 384-3955 (fax)

West Building Materials 25
Charles West, President
(404) 894-7800 (phone)
(404) 875-7153 (fax)

Western Home Center 122
Edwin A. Friesz, President
(513) 931-6300 (phone)
(513) 931-1309 (fax)

Western Lumber 39
Newell LaVoy, President
(619) 474-3341 (phone)
(619) 474-1271 (fax)

Westlake Hardware 43
Richard F. Mitchell, President
(913) 888-0808 (phone)
(913) 888-2153 (fax)

Westside Building Materials 168
Richard Peckham, President
(714) 385-1644 (phone)
(714) 938-0730 (fax)

Whelan's 256
Ward Whelan, President
(913) 357-0321 (phone)
(913) 233-4755 (fax)

Whipple Brothers 299
C.B. Whipple, President
(717) 836-6262 (phone)
FAX: NA

Wickes Lumber 7
William Hensler, Chairman
(708) 367-3400 (phone)
(708) 367-3750 (fax)

William M. Young 128
Thomas Shea, President
(302) 654-4448 (phone)
FAX: NA

Williams Brothers Lumber 85
John R. Williams, CEO
(404) 624-8200 (phone)
(404) 624-8297 (fax)

Wilson Lumber 261
Ken Wilson, President
(205) 852-7411 (phone)
(205) 851-9904 (fax)

Wolf Organization 57
William B. Zimmerman, President
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(717) 845-1344 (fax)

Wolohan Lumber 24
Jim Wolohan, President
(517) 793-4532 (phone)
(517) 793-4582 (fax)

Woodbury's 103
Brian Jermyn, President
(518) 793-2505 (phone)
FAX: NA

Woodhaven Lumber 116
James T. Robinson, CEO
(201) 295-8800 (phone)
(201) 295-4935 (fax)

Yaeger & Kirk 140
D.S. Yaeger, President
(707) 545-3883 (phone)
(707) 526-4607 (fax)

Yankee Supply 235
Bob Powers, President
(718) 740-3838 (phone)
FAX: NA

Yardbirds of California 83
John M. Headley, President
(707) 762-5600 (phone)
(707) 762-1208 (fax)

Zarsky Lumber Company 307
Dan Coleman, President
(512) 573-2479 (phone)
(512) 573-4807 (fax)

Ziegler Building Centers 214
Vern Ziegler, President
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Now just get the rest of the answers right and you could win plenty of cash to go on a personal shopping spree. Good luck.

ABP
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HomeClub to open second Oregon warehouse

By an NHCN staff editor

BEAVERTON, Ore. — HomeClub, the California-based home improvement membership retailer, will open its second Oregon warehouse store in the town of Beaverton, near Portland, on May 25.

The unit will have 103,909 square feet of retail space and 9,880 square feet of outdoor nursery space. It will employ approximately 100 people, the company said.

In addition, the chain has signed a lease to open a store in Kirkland, Wash., which is slated to be 102,442 square feet with a 9,500-square-foot nursery. The Kirkland unit, scheduled to open late this summer, will be HomeClub's third store in the Kirkland-Seattle area.

Retail home improvement dealers hobble to the finish line

(Continued from page 40)

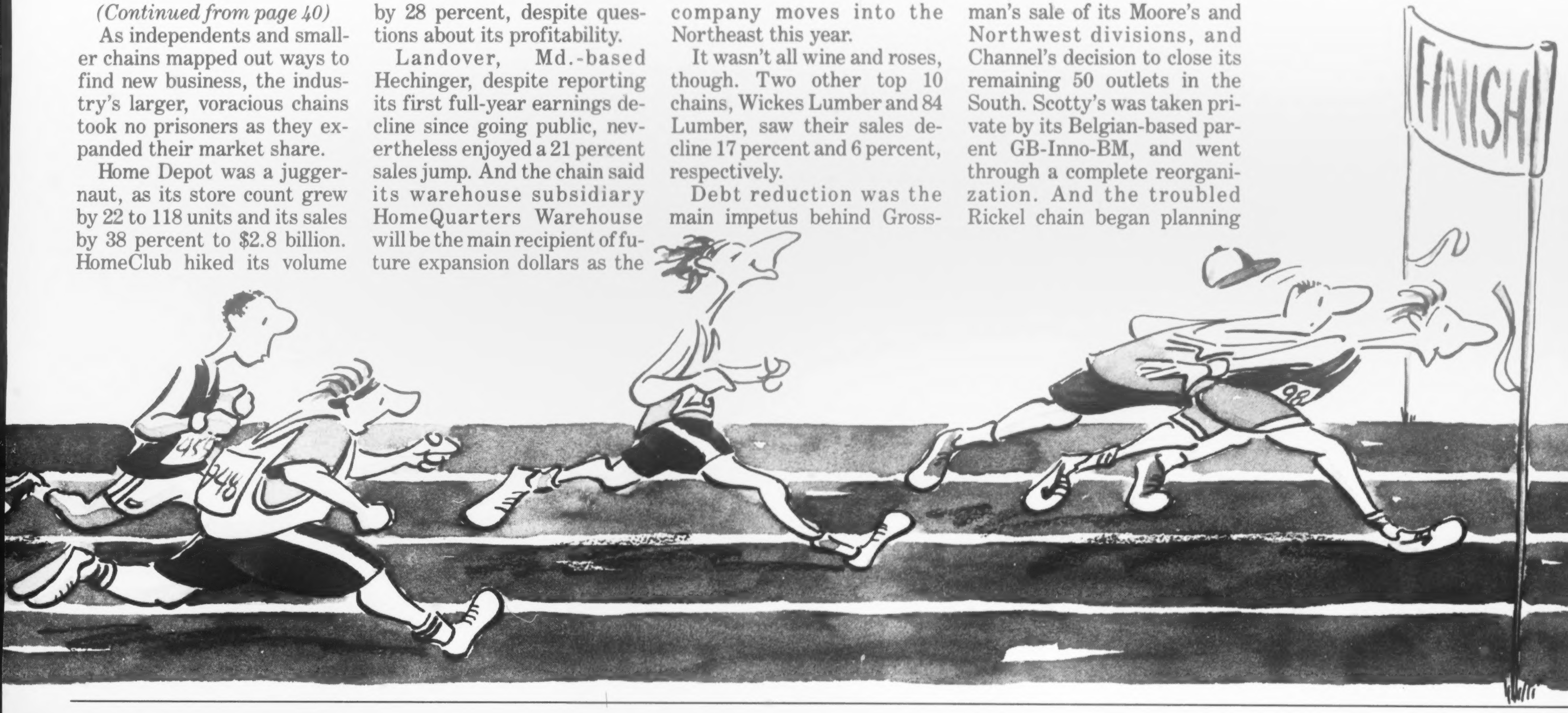
As independents and smaller chains mapped out ways to find new business, the industry's larger, voracious chains took no prisoners as they expanded their market share.

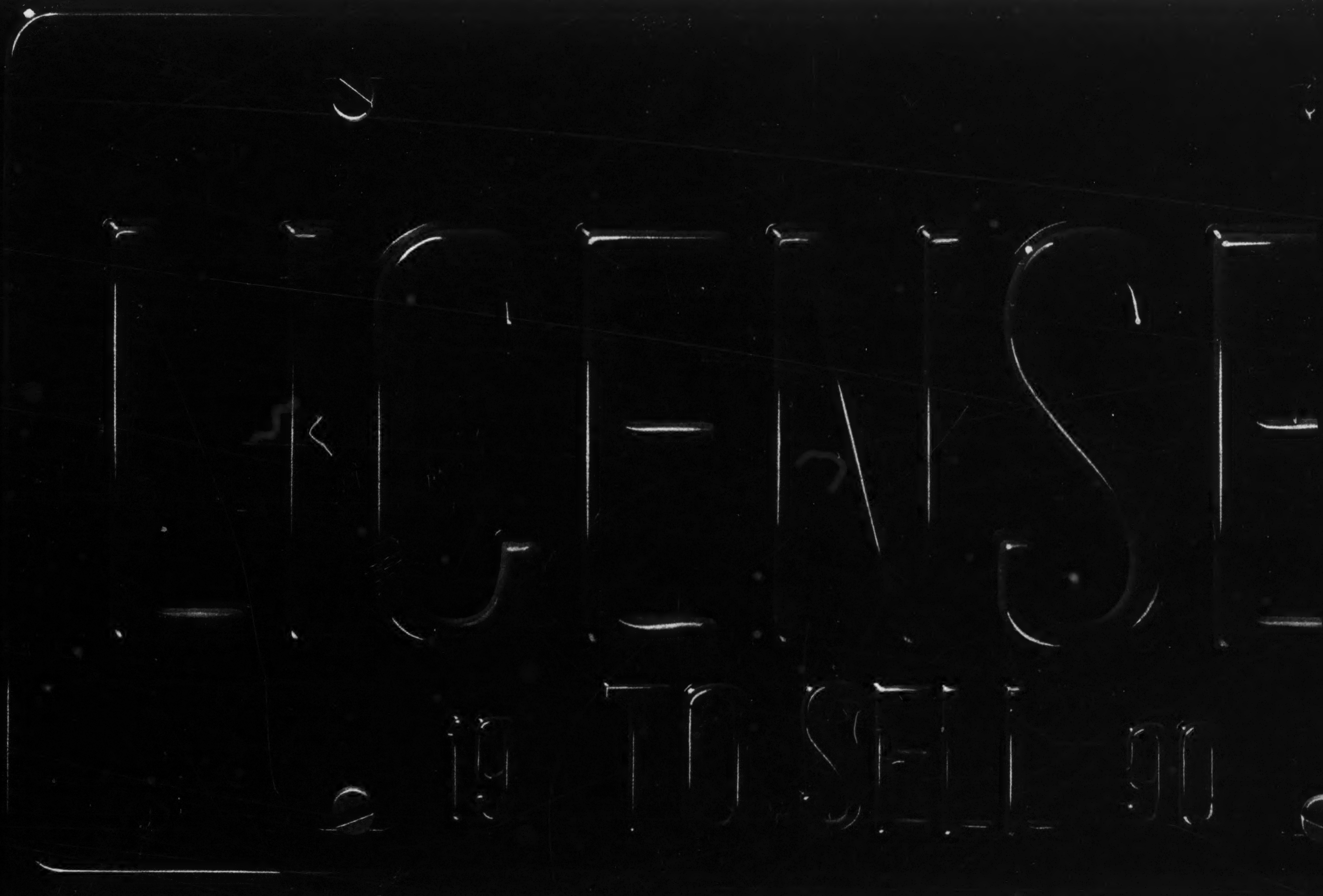
Home Depot was a juggernaut, as its store count grew by 22 to 118 units and its sales by 38 percent to $2.8 billion. HomeClub hiked its volume by 28 percent, despite questions about its profitability.

Landover, Md.-based Hechinger, despite reporting its first full-year earnings decline since going public, nevertheless enjoyed a 21 percent sales jump. And the chain said its warehouse subsidiary HomeQuarters Warehouse will be the main recipient of future expansion dollars as the company moves into the Northeast this year.

It wasn't all wine and roses, though. Two other top 10 chains, Wickes Lumber and 84 Lumber, saw their sales decline 17 percent and 6 percent, respectively.

Debt reduction was the main impetus behind Grossman's sale of its Moore's and Northwest divisions, and Channel's decision to close its remaining 50 outlets in the South. Scotty's was taken private by its Belgian-based parent GB-Inno-BM, and went through a complete reorganization. And the troubled Rickel chain began planning





Circle 59 on Reader Service Card

for an upscale prototype.

Regional diversity

On a market basis, California continued to lead the industry in total sales, and 11 operators among the top 350 with headquarters in that state hiked sales by at least 20 percent over 1988.

Also enjoying a boost were businesses in the Pacific Northwest, where an influx of Pacific Rim investors has increased demand for building products. For example, profits rose 100 percent for Lanoga Corp., the Redmond, Wash.-based parent of the Lumbermen's, United Building Centers and Spenard's chains, according to its president Daryl Nagel.

Conversely, 10 of the companies within the top 350 that have headquarters in the Northeast recorded sales declines of at least 20 percent. "Sooner or later, [the government] will stop lying to us and admit we're in a recession," said Lowell Jaeger, a Union, N.J.-based lumber operator whose sales were off 3 percent.

Decreasing revenues triggered a typical response in the region: personnel cutbacks. Nickerson Lumber, Orleans, Mass., laid off 44 of 265 employees; J.T.'s Home and Building Centers, Newport, R.I., fired 50 workers; and Nonantum Lumber, Watertown, Mass., cut 45.

Bankruptcy and closings

Still, mere survival was better than the fate some suffered last year. Operations at the 37-unit Lloyd Home and Building Centers, based in Danbury, Conn., were discontinued by its parent, American Maize, this February.

The Las Cruces, N.M.-based Woodward Lumber's $16 million business went bankrupt over bad debts. The Southwest's economy, still reeling from the savings and loan crisis, also caused Builders Emporium to pull out of the Phoenix, Ariz., market and O'Malley's to retrench and last month announce the sale of its operation.

Millwork depts. added

Store openings and aggressive promotional campaigns helped many firms solidify and expand their market positions last year. But more common was the trend among dealers to explore niche areas such as commercial/industrial, lawn/garden and kitchen/bath.

Millwork was one category that attracted attention from a great number of dealers. Brooklyn, N.Y.-based Strober Brothers and Kogel/Giant Builders Supply in Middle Island, N.Y., were among the myriad dealers who opened full millwork showrooms last year.

The four-unit N. T. Fox of Portland, Maine, facing a 25 percent sales decline and falling profits, increased its 2,500-square-foot showroom space by 7,500 square feet to facilitate expanding its electrical, kitchen and plumbing departments.

All American Home Center, an independent in the Los Angeles suburb of Downey, chucked major appliances—a previously hot-ticket item that had soured—to expand its K&B department. The independent also increased its millwork offering to attract customers from affluent parts of the city.

Along with these products, home decor emerged as a category a growing number of retailers investigated. The Pay 'N Pak and Rickel chains symbolized this movement by leaving building materials out of new store designs that favor higher margin home decorating products over lower margin commodities.

Expanding in different ways

For those with enough capital, acquisition was an option a number of companies took to improve their market stature. Handy Andy in Schaumburg, Ill., took the boldest move by acquiring, as part of an investment group, the 37-unit Central Hardware.

Carolina Builders of Raleigh, N.C., acquired two local competitors, picking up four stores and has all of a sudden become a formidable regional player. Belgrade, Maine's Hammond Lumber purchased the assets of two competitors which had fallen.

Even as Connecticut's Fairfield Lumber was trimming staff in response to shrinking revenues, it had set aside capital to ensure the opening of its fourth unit this year.

And despite the local economy, the six-store Dill's Best Building Centers, Peekskill, N.Y., plans to open a store a year over the next decade, according to its president Carl Dill.

Expansion seems more important than ever to home improvement retailers, even if it is often driven more by fear of losing market share than a sheer desire to increase sales.

Asked why his company will open a third store, Chuck Keaton, the general manager for Columbia Lumber & Manufacturing Co., Columbia, S.C., said, "I've got 29 competitors within a 30-mile radius." ◆

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Stanley bows out of '91 Show

(Continued from page 1)

organized and the location we had was effective, but there wasn't the number of contacts that justified the investment," Gilrain explained. "[Attendance] has been dwindling over the past couple of shows. We will use the time and people and financial resources in different ways."

Over the three days of the show in March, Stanley rotated in "well over 100" sales and senior management employees, he said.

For the last two years, the number of booths at the March event has hovered around 1,260. But *NHCN* learned that Stanley isn't alone in its opinions about the show as a selling environment.

Hyde Tools, based in Southbridge, Mass., scaled back its manpower and exhibit space by 40 percent at last March's show from 1989 levels. And a week after the show Hyde decided to pull out of 1991.

"We just didn't feel the number of key players there could justify the cost," said Ralph Lawrence, Hyde's senior vp. "Like advertising, it is difficult to quantify a payback on any show."

Klean Strip, a Memphis, Tenn., chemicals firm and one of the show's oldest exhibitors, according to company officials, decided to cancel from the 1991 event even after paying its deposit for exhibit space. (The deposit has since been refunded.)

Hardware Show comparison

Vance Publishing was rebuked in its attempt to dissuade Stanley from pulling out of the show. "Cost wasn't mentioned" in the meeting between Vance and Stanley, said Berry. "They felt they didn't see all the hardware buyers they'd hoped to see. They felt they'd see them at the Hardware Show."

"If I were a hardware buyer and my sole responsibility was buying hardware, I'd go to the Hardware Show, too," Berry conceded.

Indeed, the cache of the Home Center Show has always been that both building materials and hardware vendors exhibit at the same time, whereas the Hardware Show, held in the same venue in August, is more heavily skewed to hardlines, automotive and lawn and garden products.

The Hardware Show, sponsored by the American Hardware Manufacturers Association (AHMA), is also much larger, drawing about 70,000 trade visitors and 3,000 exhibitor booths, according to Cahners Exposition Service, the show's manager.

William Farrell, executive director of the AHMA, said the August show has added "four or five" new building materials vendors each of the last few years, but has gained these kind of exhibitors mostly through attrition or booth consolidation.

The Hardware Show couldn't add any more space due to physical limitations of McCormick Place, Farrell said.

To further strengthen his argument about the viability of the Home Center Show, Berry speculated that some suppliers which are concerned about their cash flow may not have sent in deposits for prime space for the 1991 show.

He believes other companies might be waiting until the last minute to contract for space, preserving cash but gambling that space exists. The 1990 Home Center Show grew by 37,000 square feet to 474,428 square feet in net exhibit space.

Other vendors contacted by *NHCN* planned to continue at the Chicago event.

"We're dropping in, not out," said Cliff Peart, vp and national sales manager for Sequentia, a fiberglass panel maker. He said the company's 1990 attendance was a "test" after being away several years. "We saw 95 percent of the mass merchandisers and distributor accounts from across the U.S; you can do it all in 2½ days."

Although it cut back the number of people staffing its booth by 40 percent in the last year, Wilmington, Ohio-based tool maker Irwin Co. intends to return next March. C. William Barkalow, Irwin's vp-sales and marketing, said there was a lot of activity in their booth in McCormick Place North last March.

Categorization applauded

One of the major changes to the show was the grouping of vendors by product category to shorten the distance walked by the more than 30,000 estimated visitors.

According to Berry, post-show polling indicated that four out of every five exhibitors expressed some degree of satisfaction with categorization, and nearly three-fifths of those polled were "very to extremely satisfied."

Berry said plans were underway to "upgrade educational events to a management conference level to entice more people to attend."

This year, the show was also shortened by one day. "Businessmen are cognizant of the time and money" it costs to attend, "and we're helping them to see what they have to see in a shorter amount of time. It saves on hotels and meals."

◆

Editor's Clarification

The charts on p. 78 from *Editor & Publisher* data relate to building material and hardlines sales in all types of retail outlets.

Wickes plc plans 19 more units in 1990

(Continued from page 6)

the time of Wickes' purchase of Hunter Timber in August 1988.

Wickes runs 199 stores—168 in the U.K. and 31 in Europe.

In 1989, pretax income increased 134 percent to $61.7 million (£38.1 million). Sales during 1989 reached $1.108 billion (£684 million) compared with $584.8 million (£361 million) in 1988 with 15 weeks of Hunter Timber trading, or $1.076 billion (£664 million) on a *pro forma* basis.

◆

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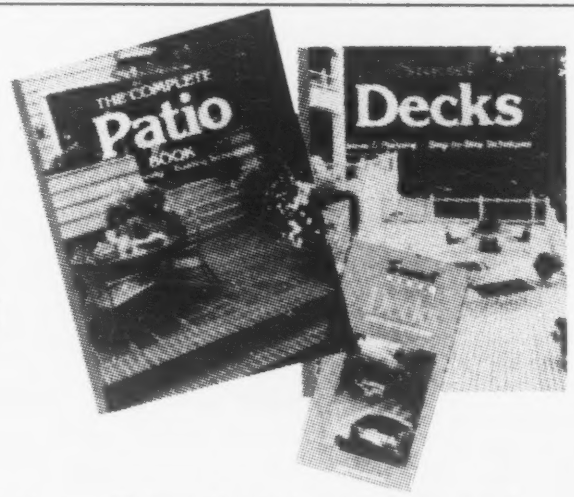

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Circle 63 on Reader Service Card

Levin group buys O’Malley’s

(Continued from page 1)

Lumber and Building Materials of Phoenix.

Upon completion of the transaction, expected this month, Duncan R. Hossack, who has worked for O’Malleys since 1972 and been its executive vp for three years, will become its president.

Hossack led an unsuccessful leveraged buyout attempt at O’Malley’s with his father, Don, last year which failed after they lost $3 to $4 million in backing withdrawn by United Building Services.

Hossack will be the first non-family member to head O’Malley’s, which moved here from St. Louis in 1908.

Repeated calls to officials at both companies involved in the sale were not returned.

Tough competition

President Mark E. O’Malley told *The Arizona Republic* that the region’s depressed economy and competition from Home Depot and HomeClub prompted the decision to sell. The former will open its eighth store in the area by Memorial Day; the latter has four units here. Payless Cashways has two stores here.

O’Malley’s has been trying to sell its businesses for two years, Mark O’Malley said. According to *NHCN* estimates, sales at O’Malley’s retail/contractor stores fell an estimated 22 percent last year to $70 million, following an 11 percent decline in 1988.

The firm’s financial woes were exacerbated by the large amount of credit it extended to mid-sized contractors, said Michael Adams, vp of Retail Merchandising Service Automation, a retail consulting firm here. He said these pros have accounted for the majority of local bankruptcies.

“I have to believe O’Malleys took a real hit as a result,” said Adams.

Phoenix’s retail building material sales have increased an average of 5.24 percent over the last five years to a total last year of $679.1 million, according to First Interstate Bank. The bank’s Arizona economist, Brian Cary, said that after accounting for inflation, volume has either been flat or down during the period.

More than 11,000 housing permits were issued in Phoenix last year, a large number but still down 36 percent from 1988 levels, said Cary.

Overbuilt market

“That segment [retail lumber, building materials] has been ailing for a long time,” he said. “And the brutal competition here doesn’t help.”

How The Levin Group expects to compete in the difficult environment remains unclear, although chairman Michael Levin was optimistic about a recovering housing market when quoted in the *Republic*.

“We believe there’s underlying strength in the Arizona economy that has been harmed and damaged but not ruined,” he said.

But if O’Malley’s is to take on larger, better-financed counterparts, locals say it will have to examine its pricing and merchandising strategies.

Prices, management askew

Adams of RMSA called the presentation at O’Malley’s “underwhelming,” with warehouse chains clearly superior. And Matt Russell, assistant manager of the Home Depot store in Camelback, near Phoenix, said O’Malley’s prices are too high to attract budget-conscious consumers. Patrick Sell, manager of a HomeClub unit here, agreed.

Sell, an O’Malley’s employee until 1988, also said the organization has lacked stability. “There were six GM [general manager] changes in two years while I was there,” he said. ◆

K&B Show posts record turnout

(Continued from page 7)

things, upscale fixtures and faucets, vanities and bath accessories. French and Italian manufacturers were especially visible—a reflection, some said, of the impending lift on trade barriers in the European Common Market.

U.S. suppliers interviewed said they were generally pleased with the “quality” visits they had from retailers, including such large chains as Home Depot, Pay ’N Pak, Ernst and Wickes Lumber.

Among the products those retailers saw was American Standard’s “Smart Seat,” which transforms an average toilet into a bidet. Demonstrating the product, a company employee generated plenty of interest from passersby. Two days into the show, however, there were still no firm orders in place.

Task Lighting, a Kearney, Neb., supplier, enjoyed similar attention with its architectural lighting sectionals, for use above or below cabinets. Task president Kenneth Anderson said the product, which uses incandescent instead of fluorescent bulbs, will be packaged for sale by home centers this year.

K&B *and* Storage Show?

Meanwhile, manufacturers of storage products, which have enjoyed meteoric sales growth in recent years, moved a step closer to having the category included in the show name. A group of suppliers led by Closet Maid of Ocala, Fla., and Lee/Rowan of St. Louis met with NKBA officials to plead their case.

“We want the name included so that we become part of the seminar circuit and raise awareness about our products,” said Charles Lammers, sales manager for Lee/Rowan.

NKBA executive director Francis Jones said that while some have “very keen interest” in the issue, the NKBA needs proof that the entire industry favors it.

“Would retailers [those attending the show] support it?” he said. “That’s the thing they need to convince us of.”

Suppliers were planning to canvass their customers over the next year, and Jones said favorable results could make “storage” part of the show name two years from now.

Regionality stressed

Another issue was raised by John Finn, sales manager at the Minneapolis, Minn.-based Sico Inc., which manufactures wall beds. He opposed the show being held so frequently in the same city. Next year, for example, it will take place in Dallas, where it was in 1989.

Finn said he would rather exhibit in several towns, without having to repeat for at least a decade. He said he expected no new business beyond that which he signed two years ago in Dallas, and for that reason he would not participate in the show.

“It cost us $25,000-$30,000 to do these shows,” he said. “We might as well take the money and put it into ads.” ◆

Builders Square targeted in boycott

(Continued from page 6)

where accountability lies, and we’re just trying to show people that they can take their business elsewhere on a really grand scale if they feel that any part of a big corporation is behaving immorally.”

The feud between Waldenbooks and AFA, which reached the national arena in late April, resulted from a September 1989 letter to the book retailer from David Caton, president of the group’s Florida chapter.

Caton threatened to call a news conference to publicize the 1500-unit chain’s violation of a Florida law prohibiting the sale and promotion of obscene material.

One month later, Waldenbooks joined forces with *Playboy* and three media industry groups to file suit against AFA Florida, charging the group with violation of federal and state racketeering laws that guard against consumer coersion. That action has prompted the participation of the national AFA.

Store managers at several Builders Squares saw the threats as patently ridiculous.

“I just don’t see what it has to do with me,” says Ed Bain, store manager of Builders Square in Huntsville, Ala. “I mean, the only literature I sell is home improvement books.”

Del Riffle, manager of Builders Square in Pittsburgh, doesn’t expect any impact on traffic in his stores. “Religious groups can have influence on a certain, small group of people, but not usually on the public at large.”

Still, Wildmon’s group, which reportedly picketed some 350 Waldenbooks and K mart stores on April 27, believes it has the clout to hamper revenues of K mart and its subsidiaries. The *AFA Journal* is mailed to 425,000 locations, 178,000 of which are Christian churches that span most denominations, said Wildmon’s brother Allen. ◆

Diamond sells off northeast units

(Continued from page 4)

was an executive with Wickes, said Diehl met with Chanin representative George Roach and expressed interest in buying Diamond’s Colorado yards. But those units were already under contract for purchase by BMC West, the Boise, Idaho-based operator which purchased them last month. Roach, however, informed Diehl of the availability of the Northeast yards and brought him to another interested party, Andrew Craig.

Craig added that Diehl was an “indirect” investor fronting for other backers whom Craig declined to identify.

Diamond will use the proceeds to retire bank and vendor debts. Besides other holdings, the company recently sold its three Florida yards to local operators. Twenty-four others on or near the West Coast are under contract for purchase by BMC West. ◆

Home centers hike TV ad spending

(Continued from page 7)

into new markets where they are each other’s main rivals.

In the Los Angeles market, Home Depot launched a series of eight spots of customer testimonials beginning March 1. These compare Home Depot directly with HomeClub.

“They go head to head with HomeClub because there’s been a little confusion over Home Depot and HomeClub,” said Lonnie Fogel, spokesperson for the Atlanta chain.

However, Scott Richards, vp-marketing and membership at HomeClub, refutes this claim. He sees the spots as a direct response to HomeClub’s successful TV campaign, which ran in 1989, called “The HomeClub Family,” in which the Fullerton, Calif.-based warehouse chain promoted its range of services in addition to its low prices.

Whatever the reason, the fact is that warehouse companies are filling the airwaves to establish themselves in new markets and protect their market share.

For HomeClub, the addition of stores in Portland, Ore.; Boise, Idaho; Salt Lake City, and three more stores in Phoenix, Ariz., has made TV advertising economically viable in these cities.

Among the eight non-warehouse home centers who spent a total of $17.7 million last year, a number cut spending and turned to other media.

Braintree, Mass.-based Grossman’s switched to print, finding it more effective for its increased focus on price and item advertising, and reduced TV ad spending by 46 percent to $1.8 million. ◆

CertainTeed parent buys Norton Cos.

(Continued from page 4)

ing BTR. Norton, which employs 16,800 people and has 92 plants in the United States and 19 elsewhere, had 1989 sales of $1.53 billion.

A spokesman for Norton, who asked not to be identified, said concern was raised over BTR’s long-term plans in light of the British company’s acquisition of Worcester Controls, a locally based concern that was folded two years ago. “Saint Gobain has a better track record,” said the spokesman. “There was more reason to trust them.”

Officials from both Norton and Saint Gobain said there would be no changes in Norton’s product offering. It was also too early to tell whether any joint retail marketing would be done between Norton and CertainTeed.

CertainTeed’s vp-corporate communications Dottie Wackerman said the major advantages to being owned by Saint Gobain were its broad technical and financial resources.

“Their research into glass has had invaluable applications in our fiberglass insulation products,” she said.

The acquisition would give the French company its eighth North American subsidiary; it also owns industrial glass and porcelain makers in the U.S. and Canada. ◆

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Ikea sets out to furnish 'the big country'

Swedish dealer opens fifth U.S. store in N.J.

By John Sinisi

ELIZABETH, N.J. — With great fanfare, Ikea, the Swedish-based home furnishings retailer, opened its fifth U.S. store on May 23 in what is reputed to be the most densely populated metropolitan area in the U.S.

The 270,000-square-foot blue warehouse with yellow trim sits along the New Jersey Turnpike in sharp contrast to adjacent ship-loading rigs rising from the smog at Elizabeth Seaport, cars whizzing by on Interstate 95, and planes landing and departing at nearby Newark Airport.

It also stands out from most other specialty furniture outlets by carrying an extensive array of high-quality, moderately priced products within an environment that promotes family shopping.

Ikea offers 12,000 skus of of high-quality, moderately priced products in a relaxed family environment.

NHCN photo

Ikea poses a direct, if currently regionally limited, threat to the growing number of home centers dipping their toes into the home decor area.

Its 12,000 skus of home furnishings, knick-knacks and accessories are displayed in an area that includes a child-care play room and a self-service cafe and restaurant that serves low-priced Scandinavian delicacies.

"Ikea has a soul," asserts Ikea U.S. East Division president Steen Kanter, who regards the company as a concept organization. "We're selling a lifestyle, at high quality with affordable prices."

Heavy ad campaign

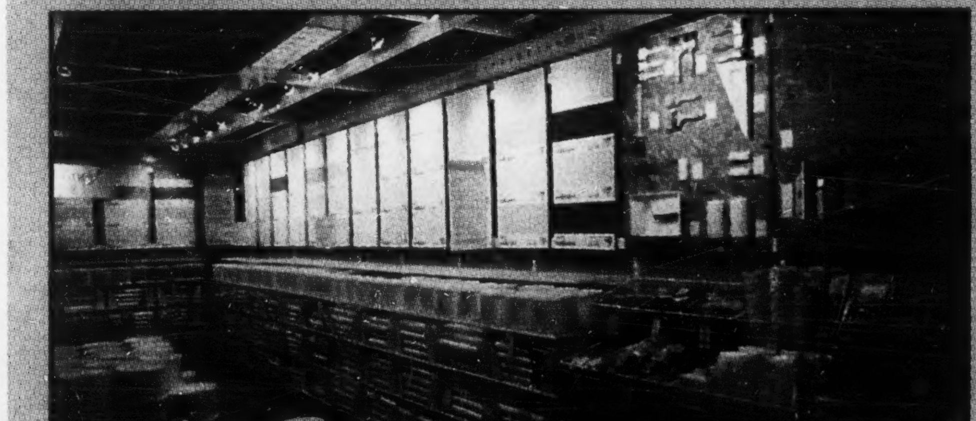
If Ikea has a soul, then its kindred spirits are baby boomers in the 20- to 49-year-old age range. In the three weeks before its grand opening, Ikea lobbied incessantly for that customer group with a $4.6 million ad blitz that used the tag line "It's a big country; somebody has to furnish it." The campaign culminated in the distribution of its 196-page catalog to 1.5 million New York and central Jersey addresses.

Inside the store, 120,000 square feet in the main-floor showroom is devoted to 101 distinct furniture vignettes that feature Scandinavian fashion more than price.

The ground-floor Marketplace department features textiles, glass- and tableware, flooring, and furnishing accessories.

Surprisingly, this level also

(Cont'd. pg. 42)



Despite its focus on home furnishings, Ikea also stocks paint and related accessories.

NHCN photo

Fading U.S.-Canadian border aids co-op sales

By Gary S. Ruderman

GANANOQUE, Ont. — Two Canadian hardware stores are now receiving merchandise from American-based hardlines wholesale co-operatives, as the geographic border between the two nations continues to fade as a trade barrier.

For the first time in its 118-year history, Donevan Hardware, located in this small town across the New York State line, began accepting product from Ace Hardware on May 21. About a month earlier, the 1,500-square-foot Beach Home Hardware in Prescott, Ont., got its first shipments of lawn and garden equipment and hand tools from ServiStar.

"Across the river in Ogdensburg, N.Y., I can't compete with the True Value store," said Lewis Beach, owner of this unit, to explain his reasons for seeking out an American wholesale supplier. "So I'm installing the same product that can be bought [in Canada] at a lesser price compared to Canadian chains like Canadian Tire and Sears" to keep his customers from wandering across the border.

The U.S.-based co-ops, though, are not alone in their visions of expansion. Canadian Tire, the 414-store Toronto, Ont., retailer that is right behind Home Depot and Lowe's in annual sales, could be looking to sell in the U.S. soon.

"We are going to see more of this [trade] opportunity going north and south," said Jim Williams, Canadian Tire's executive vp for marketing, real estate and distribution.

"If [American] co-ops see the opportunity to sell in Canada, we see no problem with that" he added. "That's what free trade is all about."

Product line expanded

Charles Donevan, owner of the

(Continued on page 42)

Two home improvement chains follow different expansion routes

HQ Warehouse enters new markets, avoiding Depot's strongholds

By Elizabeth Brent

VIRGINIA BEACH, Va. — Home Quarters Warehouse will enter the new markets of Louisville, Ky.; Memphis, Tenn.; and South Portland, Maine, as it continues its growth.

Its expansion into these new markets is consistent with HQ's perceived strategy of avoiding areas where Home Depot has a foothold. It chose to leapfrog over Nashville, Tenn., where Home Depot recently opened two units, and instead will debut its first store in Memphis, Tenn., in 1991, with more for that market on the drawing board.

HQ's parent, Hechinger, is tying its future expansion and profitability to its warehouse division. However, the company's growth plans appear to have been slowed in the Northeast by zoning and environmental problems.

The chain will be the only home improvement warehouse retailer in all three markets, and the first to enter the state of Maine.

(Continued on page 42)

Diamond stores purchase spurs BMC West's growth drive

By Tim O'Malley

BOISE, Idaho — Boosted by a series of acquisitions, BMC West Corp. is rapidly emerging as a leading building materials dealer in the Northwest and Mountain States, areas of the country that are rapidly gaining in popularity.

The company recently acquired seven Diamond Lumber yards in the regions, has an agreement to purchase another 25 from Diamond, and is eying other acquisitions this year.

BMC has also snapped up two prehung door shops and a truss plant in Northern California, and runs a growing export business that sends products to Japan from a warehouse in Vancouver, Wash. In all, its operations span six states.

"We're shooting to become the biggest and the best in a variety of areas," said chain spokesman Steve Pearson.

BMC's bustling growth comes less than three years after its genesis

(Continued on page 41)

Parent GB-Inno brings European high-design format to Central

Move shows the 'international cross-fertilization' of home center retailing

By Gary S. Ruderman

ST. PETERS, Mo. — Like a traveling exhibit of retailing design, the latest display of European styling is on view in this St. Louis suburb.

GB-Inno, the Belgian retail giant that owns the Central Hardware, Handy Andy, Scotty's and several European chains, has been honing its high-design/high-function home center format over the last two years. The three-month-long resetting and remerchandising of two Central stores represents the best ideas from GB's AKI venture in Spain and Chicago's Handy Andy.

The new store design came to Central Hardware stores in St. Peters and St. Charles, Mo., May 19 via refinements made at GB-owned units in Brussels, Chicago and Barcelona.

"This is a store to position ourselves for the 90's," said Central's president Jim Cohen. "There is a customer out there who wants upscale help and assortment as well as the normal business services of a credit department and installed sales."

It shows "the international cross-fertilization" of home center retailing, added Jean-Marie Christiaens, who was a "think tank" design consultant for GB's supermarket chain in Europe before joining Central as assistant merchandising director. Central's tool department looks like AKI's; the special order areas are patterned after GB's HomeBase chain in the U.K.

He noted the starting point for all this transatlantic interchange was when another Belgian from GB, Claude DeBruyker, spent several years with the Handy Andy chain and transferred its merchandising experience back to Belgium and, ultimately, to AKI.

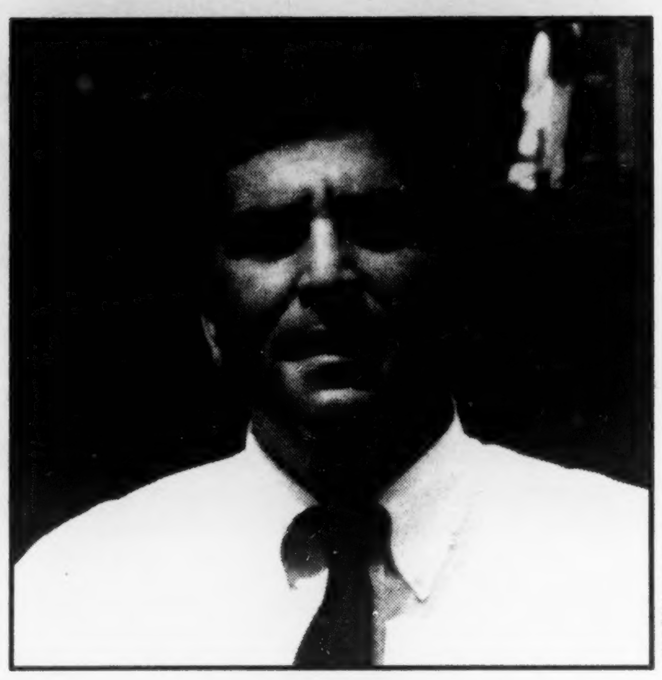
(Management of Central and Handy Andy did not allow photos to be taken of these units.)

Tool display dominates

The 60,000-square-foot stores deleted auto accessories and pots and pans from their 40,000-item product mix, and trimmed back on housewares. Storage, on the other hand, has been built up to 16 facings in 20-foot aisles.

Endcap and header signage in Central's stores was vintage Handy Andy design, but the overwhelming motif was taken from AKI (*NHCN*, May 21). Gondolas are higher with more end panels of merchandise. Lighting is more focused on products. Cohen called the changes "a breath of fresh air."

As at AKI, the front of the Central stores is dominated by a wall display of hand and power tools. Behind it is a long aisle of low, knee-high walls separating what appear to be individual workshops showcasing larger, higher-cost power tools such as planers and drill presses.



NHCN photos

Jim Cohen
president

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Proposed spray paint ban fuels Chicago dealers' ire

By an NHCN staff editor

CHICAGO — A recent proposal to ban spray paint can sales here entirely has touched off spirited reactions from home center retailers within and outside city limits.

For years, the Chicago city council has forbidden the sale of spray paint cans, a major weapon of graffiti scrawlers, to people under age 18. But North Side alderman Richard Mell said at a May 9 council meeting that the ordinance had proven to be ineffective.

Mell, who formally proposed his amendment to the law on May 16, wants to see all spray paint cans, as well as ink markers more than three-eighths of an inch in width, removed from the shelves of all retailers with licenses to practice business within the city of Chicago.

Predictably, the proposal is not sitting well with inner-city Chicago dealers. Chuck Meranto, whose two Meranto True Value Hardware stores are within city limits, sells "thousands" of spray paint cans a year, ostensibly to non-delinquent clientele.

When questioned about alderman Mell's proposal, Meranto was incensed. "I've pretty much had it up to my ears doing business in Chicago," he said. "Next they'll take cars off the streets, because they can kill people."

Equally predictable was the reaction of Joe Di Novo, owner of Blue Island Hardware located just outside of Chicago.

"That rule would be fine with us," says Di Novo, adding that even if it weren't passed, he would still refuse to sell the products to underaged patrons. ◆

Builders Emporium hires 23-year vet as executive vp of merchandising division

Will function as coordinator for three gmms

By an NHCN staff editor

IRVINE, Calif. — Builders Emporium has added a level of management between president James McKitrick and his three general merchandise managers.

Garry Brown, former executive vp-operations and merchandising for Irving, Texas-based specialty retailer Michaels Stores, was hired on April 17 by BE as the company's executive vp-merchandising.

> 'This job is a tremendous opportunity and is going to be a lot of fun for me.'
>
> —**Garry Brown,**
> *executive vp-merchandising,*
> *Builders Emporium*

Brown's role at BE will be to oversee the 110-unit chain's three general merchandise managers— Art Messina (building materials, lumber, plumbing and electricals), Thomas Miller (hardware, tools and nursery and garden), and Raul Tallabas (paint, housewares, home decor and seasonal items). The three men in turn supervise buyers in their respective categories.

"This job is a tremendous opportunity and is going to be a lot of fun for me," exclaims the 47-year-old Brown, who brings 23 years of retail merchandising and operations experience to his new position.

Brown, who has known McKitrick since the two worked at K mart over 10 years ago, is assuming a post that was held by two other men in the last year and a half. Dennis Albert, who was merchandising vp under McKitrick's predecessor, Ted Kazleman, left shortly after McKitrick came on board. Marty Schaefer, who held the job in late 1989, resigned after just two months, and is now Handy Andy's vp-specialty retailing.

Coordinator sought

It seemed for a while that McKitrick, who supporters and detractors alike describe as a "hands-on merchant," had decided to dissolve the position entirely, opting to deal with his three merchandising point men directly.

Although McKitrick was unavailable for comment, several of his past colleagues shared their thoughts on why he may have hired Brown.

"The three gmms are really functionally merchandise managers," said Albert, who supervised all three during his tenure at Builders Emporium. "I think Jim needs a real gmm to handle the detail work of coordinating all facets of purchasing and presentation."

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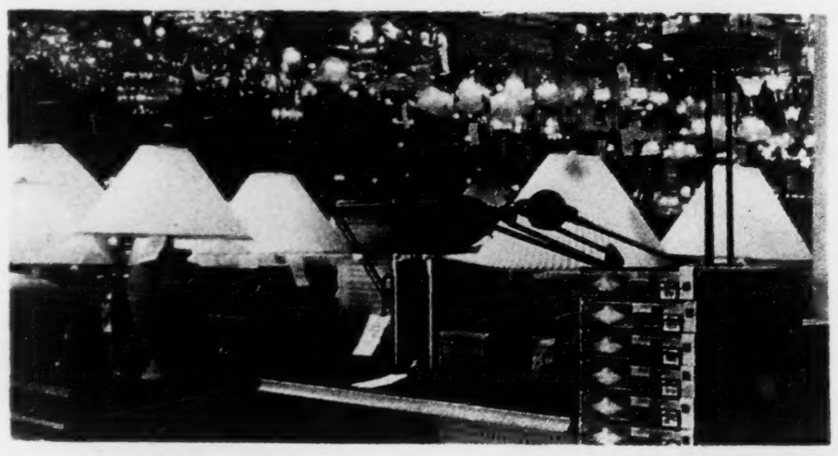

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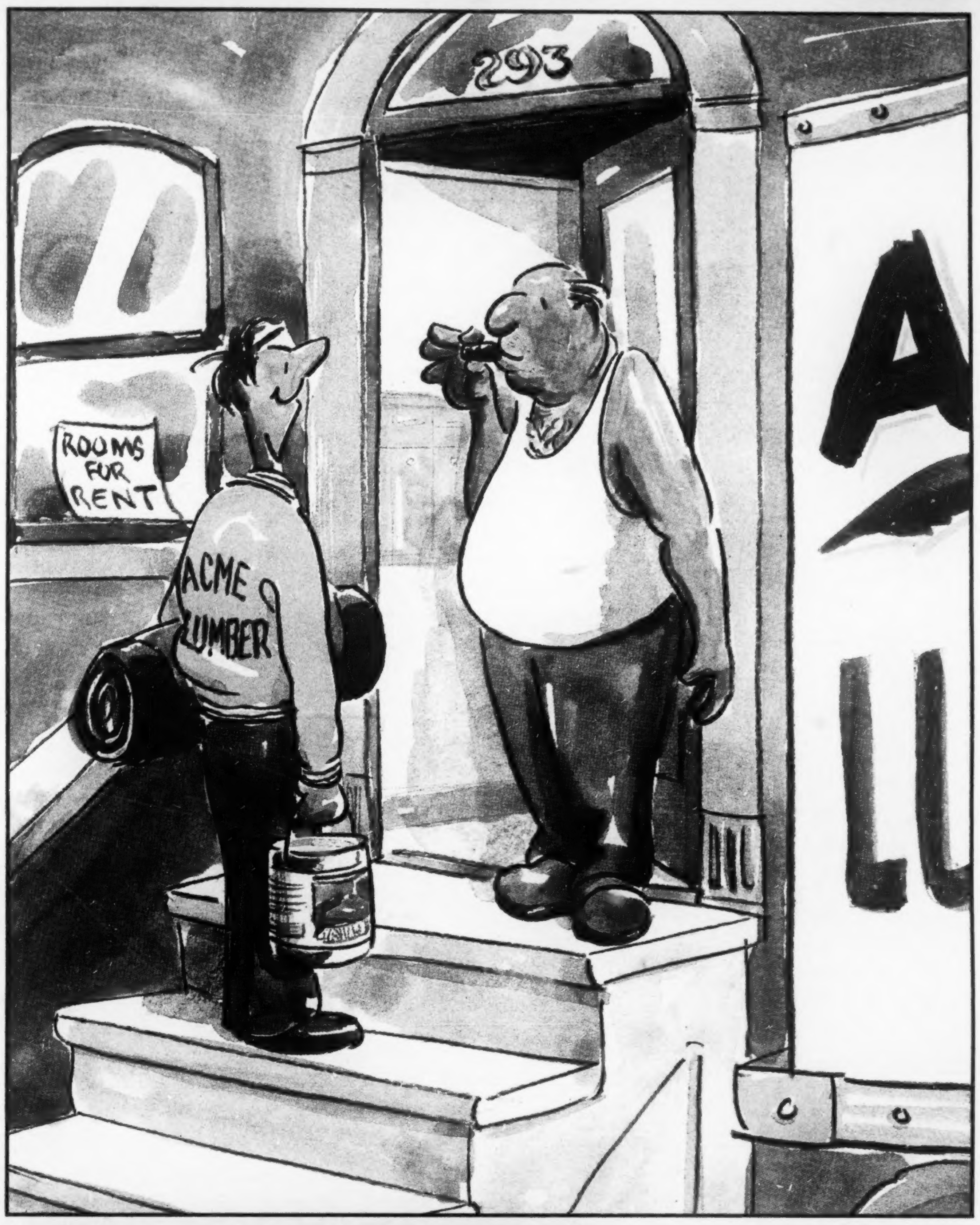
ACME LUMBER

Landlords open door of opportunity

Dealers around the country are attempting to take a piece of what may be one of the last remaining untapped markets for home improvement sales.



Each year, landlords prepare some 13 million rental units for new tenants, reports the Census Bureau and Department of Housing and Urban Development.

By John Sinisi

NATIONAL REPORT — St. Louis' airport, Lambert Field, is in the midst of a major expansion, as TWA and Southwest Airlines are expected this year to relocate some 3,000 flight attendants and pilots, according to airport spokeswoman Cathy Leonard.

This suits Roland Monson just fine. "These airline personnel are extremely transient," Monson observes. "We expect they'll create a very high rate of turnover for the apartment complexes in this area, and we're going to be ready to serve the landlords, who have to spruce up their units regularly as it is."

His two-unit Biener Hardware here carries 40 property management and building contractor customers among its 300 accounts. Each is located near the airport, and spends an average $1,000 a month on building materials and hardware used to prepare units for new tenants and for basic ongoing maintenance.

Monson and a number of dealers around the country are attempting to take a piece of what may be one of the last remaining untapped markets for home improvement sales.

And what a potential market! Each year, landlords have to prepare some 13 million rental units for new tenants, according to studies from the U.S. Census Bureau and the Department of Housing and Urban Development (HUD).

That figure is slightly higher for multifamily rental property than for the one-third of the total that are single family rentals which have less-frequent resident turnover, according to National Apartment Association economist Robert Sheehan.

Worth the trouble, for some

Dealers readily admit that many of these commercial accounts in the apartment field can be difficult to do business with. They demand same-day (and, if they can get it, free) delivery service on mostly special-order items, look for special discounts and typically have capricious payment practices. But Monson, for one, doesn't mind.

"We look at that as a cost of doing business," he says, adding that he's willing to put up with the inconveniences presented by servicing landlords in order to capitalize on potential repeat business.

For those dealers who have cultivated these clients, sales can be considerable. Angel Velez, store manager of a Scotty's unit in Homestead, Fla., outside Miami, says his store has a loyal core of 12 superintendents, each of whom regularly spends $1,500 to $2,000 a month on anything from bulk orders of gypsum board to drop ceilings and faucets to weed killer.

"Leased property all around my store is constantly turning over tenants, and between that and general maintenance, we see these people a lot," says Velez.

Housing Starts: 1978 - 1990
(in 000)

Year	Single Family	Multi-Family	Total
1978	1,433	587	2,020
1979	1,194	551	1,745
1980	852	440	1,292
1981	705	379	1,084
1982	663	400	1,063
1983	1,067	635	1,702
1984	1,084	665	1,749
1985	1,072	669	1,741
1986	1,180	407	1,587
1987	1,146	474	1,620
1988	1,080	407	1,487
1989	1,019	381	1,400
1990*	1,020	350	1,370

Source: U.S. Census Bureau
*NAHB Forecast (Does not include public housing starts). *NHCN* chart

Other dealers, however, have found the vagaries of dealing with customers who have a very loose concept of paying bills on time more than they can afford.

Paul's True Value Hardware in Leominster, Mass., at one time got 70 percent of its sales from commercial/industrial accounts, one quarter of which came specifically from landlords and property managers.

Four years ago, owner Paul Glambert turned his 5,000-square-foot store—which kept as routine inventory archaic plumbing parts, heavy-gauge hardlines and fire-retardant treated plywood—into a 30,000 square-foot store that caters mostly to retail customers. Today, a little less than 30 percent of his business comes from commercial accounts, and the few landlords he serves have to pay for their orders upfront.

"The state of Massachusetts suffers from a 'something-for-nothing' mentality, and that's reflected in the way most property management companies run their businesses up here," he says.

Play by their rules

Clearly, the opportunity to sell to this market sector exists, especially in urban areas. But if a retailer expects to succeed with the landlord, he'd better be prepared to play by their rules.

"If we can't get what we want when we say we need it, we'll just go somewhere else," says Helen Peters, a purchasing agent for a 3,525-unit multitenant complex in San Francisco managed by the Parkmerced Management Group.

Dave Massolo, whose San Francisco-based Millbrae Lumber serves Parkmerced and a host of other apartment developments in the Bay Area, provides that quick service, natural disaster notwithstanding.

"Usually when Parkmerced jumps, we say, 'how high,'" says Massolo. "When the earthquake hit in October, and they called us up for a unit of plywood, we got it to them within two hours, which is fast even for us." Massolo adds that that delivery probably cinched the 1990 renewal of Parkmerced's account.

Maintenance and renovation are the two main forces that drive landlords to home centers today. The third force—new construction—is not terribly strong at present, judging from the National Association of Home Builders projected multifamily housing starts for 1990, which represents the lowest level in the past 13 years.

Nevertheless, the biggest margins in the landlord market lie in supplying finishing products for new construction.

Randy Baumgarten, whose Chicago-based Lee Lumber got some new multifamily construction accounts in the past year, says the attitude of a landlord with a new building is similar to that of an automobile manufacturer.

"He has to have something the other guy down the street doesn't have, but he has to watch his price per unit," says Baumgarten. "That could mean big orders of oak trim, or fireplaces, or maybe he'd think about skylights for the kitchens, and that's where we make our bigger profits with these guys."

John Grady, vice president of San Diego-based property developer/manager Monfric Inc., says the last new multitenant building his company put up, a 56-unit project in Lancaster, Calif., was finished some three years ago. Grady says that Monfric is typically price-conscious on materials in the middle of the construction stage, but when it comes to finishing the building, the company may go with better-than-budget "niceties."

But Grady adds that Monfric's policy is to send contractors to wholesalers and manufacturers where possible, rather than to retail building materials dealers.

"Home centers for me are pretty much out in the cold," says Grady. "I

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Selling property managers promises sales and headaches for dealers

(Continued from page 33)

really haven't found a retail hardware store or home center out here where I can get a better price or quicker service than from their suppliers."

Carmen Fraser, general merchandise manager for Tarzana, Calif.-based Terry Companies, disagrees with Grady's assessment of retail home centers.

Getting the word out

"All of our professional customers are offered really sharp prices on power tools, concrete, and cement, lumber and other building materials," she asserts. Fraser concedes, however, that Terry's 13 units throughout southern California are 80 percent contractor-oriented, and carry items that most DIY-targeted home center stores do not.

Fraser also admits that word about Terry's services and products is slow to circulate to new business. The majority of new professional accounts that Terry secures is through word of mouth.

"We put advertisements in the Yellow Pages saying we're 'The Builders' Store,' " says Fraser. "But we're not that actively into mass media promotions."

Payless Cashways, the Kansas City, Mo.-based retailer that has positioned itself to cater more to the professional account, is one of the few big chains that are actively pursuing the landlord through its advertising. Signs displayed in its Tucson, Ariz., store, for example, invite superintendents and property managers to open commercial accounts. The signage is interspersed throughout the store's electrical, plumbing and building materials aisles.

While agreeing that there are always a few accounts that are slow to balance, Payless spokeswoman Brenda Nolte says that landlord accounts do represent a lucrative opportunity for the chain.

"We go out of our way to make sure that the contractor, superintendent and regular homeowner can find anything he needs in one of our stores," she says. "Our credit division is never lenient—we do close delinquent accounts—but our credit policy is flexible in that payment schedules can vary from state to state."

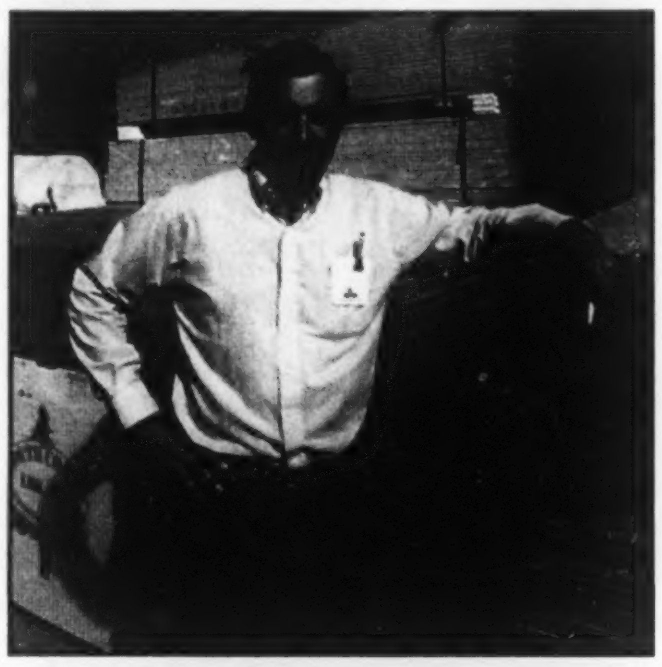
That option isn't available to every dealer in pursuit of this business, though. John Lynch, who runs Apex Hardware Supply on 195th Street and Broadway in Manhattan, is forced to be lenient in dealing with his landlord customers, who he says represent most of the accounts in his neighborhood.

"If you're not a big chain which can shed off these late-paying accounts and absorb the loss, you have to stick with them or risk going out of business yourself," he complains.

Median asking rent by no. of bedrooms

Year	1	2	3	3+	Average
1978	$207	$227	$274	$350	$265
1979	225	246	293	350	279
1980	252	282	333	413	320
1981	353	315	374	437	370
1982	331	356	416	450	388
1983	320	355	417	535	407
1984	315	360	437	508	405
1985	347	388	469	550	439
1986	372	407	492	550	455
1987	499	461	551	646	539
1988	NA	497	596	650	581

Source: U.S. Census Bureau *NHCN* chart



Dave Massolo, store manager of Millbrae Lumber, which services Bay Area apartment developers. NHCN photo

Before that could happen to Paul Glambert, the Massachusetts dealer, he virtually removed himself from that side of the business. After decades of jumping through hoops for landlords—providing timely delivery and carrying accounts that lagged an average of 120 days—he says his business is more profitable now that he's not catering to that sector.

"The costs of my sales were through the roof, because I had to hire people who had more specialized product knowledge than the average floor salesman," says Glambert, who adds that his cost-of-sale as a percent of payroll was a great deal higher than the average 19.4 percent cited by the National Retail Hardware Association's 1989 Bottom Line Report.

In the course of explaining all of this, Glambert is called away from the telephone for a few minutes.

"A prime example of what I used to have to go through came walking through my door just now," says Glambert upon his return. A super for a building in Worcester, Mass., is looking for 20 stone forks, pitch forks with 10 prongs instead of three.

> ‘We go out of our way to make sure that the contractor, superintendent and regular homeowner can find anything he needs in one of our stores.’
>
> **—Brenda Nolte,** *spokeswoman, Payless Cashways*

"I told him he'd better be prepared to pay me now and wait 30 days for delivery, and he left," he says.

"I don't like to turn business away like that, but I have to work within my means." ◆

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BMC West continues expansion

(Continued from page 1)

In November 1987, two former Boise Cascade executives bought from the forest products conglomerate its last 20 home improvement stores and launched a new company.

Financial backing has come from McCown DeLeeuw & Co., a private investor group in San Francisco whose partner George McCown had been a vice president for Boise in the 1970s. BMC's president Donald Hendrickson had been Boise Cascade's general manager of building materials distribution.

Last year, BMC had $198 million in sales from 21 stores, including the former Willard Lumber of Fresno, Calif., which it acquired in December. It expects a major hike in volume this year, partly because three of its dominant markets—Spokane, Wash.; Lewiston, Idaho; and Denver—are seeing economic expansion, said Pearson.

Contractor-oriented

The Colorado economy is now less reliant on energy industries whose decline crippled some areas in the mid-1980s. Activity in the Pacific Northwest is being fueled by Asian investments. Trade in Northern and Central California, where BMC will soon secure another 24 former Diamond yards, is as strong as ever.

Pearson said his company is poised to capture business in all three regions. "Our bread and butter is contractor business," he said, referring to new construction and repair and remodeling. "Our yards do some retail, but not much."

In Colorado, where five of the already-purchased seven Diamond yards are located, BMC has been orienting former Diamond employees to BMC's culture, hiring additional sales staff, and implementing new purchasing and inventory-control systems.

BMC believes it can succeed where Diamond failed for several reasons, not least being the latter's chronic cash problems. Diamond had been saddled with interest payments on a $70 million loan that brought it out of Chapter 11 in April 1989.

With the edge of more operating capital, BMC plans a heavy advertising campaign to lure builders and remodelers. The key, Pearson said, will be a vast product offering and competitive prices.

To accomplish the latter, he cited a centralized commodity purchasing system being run out of Boise. Made up of four "tough negotiators," he said the buying team has been key to BMC's current success. ◆

BE hires executive vp-merchandising

(Continued from page 2)

Another former colleague of McKitrick's, who is an executive at Ames Department Stores where McKitrick worked just prior to BE, speculates along the same lines as Albert.

"I'll bet the three gmms are good at picking items and negotiating prices, but maybe aren't that strong in selecting quantities and figuring out the timing of the buys," says the Ames source, who requested anonymity.

"Garry Brown is extremely good in both areas; he has a great sense of style as well as an intuitive knowledge of how much and when to present product."

As for uprooting Brown, his wife, and two children from a job and home in central Texas, McKitrick's old friend said he couldn't resist the offer.

"Jim is pretty persistent, and a really persuasive salesman," says Brown. "But it didn't take much, because I've always enjoyed working with him."

New prototype opens

Brown comes to the company just one month prior to the debut of BE's Chino Hills, Calif., store. Opened on May 26, the 40,000-square-foot store, which McKitrick himself has described as a "category-dominant, neighborhood hardware store," is the first to open under his supervision.

The Chino Hills store features larger end-caps and broader, six-foot-high gondolas. Plumbing, lawn and garden, lighting, paint and hardware departments have all been expanded.

Inner city hiring

In other news, BE is gearing up to hire some 150 teens to work at 15 stores located in inner-city Los Angeles.

BE vp-human resources Mike McMillan says that the chain has made a practice since the its inception of hiring neighborhood youths recruited through the Los Angeles Archdiocese, the ADEPT and YES youth programs, and other charitable organizations. ◆

Central gets new European-style design from parent GB-Inno

(Continued from page 2)

Adjacent to this were bunks of varied-sized lumber, including 2 by 3 studs. At the St. Charles store, which has more outside space and is more heavily merchandised in lumber and building materials, Central plans a drive-through yard.

New outlook

Part of what Central is calling its "Concept 90" store design includes a greatly upgraded and enlarged kitchen and bath department. One side wall has colorful, overhead, inset displays of tubs and sinks, with a sit-down, kitchen and bath service desk below it; the service desk is staffed by certified kitchen and bath designers.

Cohen said he'd wanted to make changes to the chain for the past two years, since Central's tabloid advertising changed from price and item to a high-gloss presentation. But he was hindered by Central's previous ownership, Interco, whose battle fighting off a hostile takeover drained any funds for updating Central's 1970s look.

Central, which is based in Bridgeton, Mo., expects to remodel 25 of its 38 stores over the next three years. ◆

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Vol. 16, No. 11 June 4, 1990

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SECOND CLASS

Vol. 16. No. 12 S3 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. June 18, 1990

Grossman's names heir apparent to chairman . . .

By John Caulfield

BRAINTREE, Mass. — Grossman's Inc. will be led in the 1990s by a man who's used to making a lot of dough.

For the past 24 years Thomas R. Schwarz, 53, has been president of Dunkin' Donuts, which he helped build into a 2,600-unit, $1 billion chain of coffee and donut shops in 40 states and 14 countries.

On June 25, he will officially become the president and chief operating officer for Grossman's, the 157-unit, $801 million chain of home centers. "I'll be replacing the shortening in my veins with sawdust," said Schwarz, whose appointment was made public on June 4.

More significantly, on Oct. 1 Schwarz will become Grossman's chairman and chief executive officer, replacing the company's longtime president and chairman Mike Grossman.

"It is time to pass the torch of leadership to younger management," said Grossman, who will be 69 on Jan 11. To accentuate this symbolism, a lighted torch was passed between the two men after

(Continued on page 70)

HIGH VOLTAGE
SSMAN'S

Mike Grossman (left) and Thomas Schwarz, enjoy a light moment after announcing that the latter will become Grossman's president and, later this year, its chairman.

NHCN photo

. . . while two investors seek to oust its board

By John Sinisi

BRAINTREE, Mass. — Grossman's officials have urged their shareholders to resist consenting to an attempt by a Honolulu-based investor group seeking to oust the company's nine board directors, including the chain's chairman Mike Grossman.

That board, which was formed when Grossman's, Inc. emerged as a new company out of the reorganization of Evans Products in 1986, is being accused of not acting in shareholders' best interests by Jay H. Shidler and Robert W. Holman, Jr. The two comprise Holman-Shidler Investment Corp. (HSIC), which previously had proposed a sale leaseback of 81 of Grossman's 156 stores in exchange for $85 million in cash.

That deal, which was rejected formally by Grossman's board on May 21, included an option to buy these properties in five years. It was also the third in a series of bids the group has made for the company

(Continued on page 71)

ServiStar to buy Coast for $75M

By Tim O'Malley

DENVER — The decision to keep the CoastAmerica organization intact was a determining factor in the agreement by Amdura last week to sell the assets of its Coast subsidiary to ServiStar Corp. for $75 million in cash.

"[Coast] dealers would see virtually no change in their operations," assured Al Mielcuszny, senior vp-finance for the Butler, Pa.-based ServiStar. "Our intent here is to keep the train rolling."

> *Will run as a 'co-op within a co-op'*

That locomotive includes 1,200 Coast to Coast dealers and two strategically placed DCs in the Midwest and Pacific Northwest.

ServiStar, the hardlines wholesale co-op, plans to operate Coast as a subsidiary by creating a "co-op within a co-op," said Mielcuszny.

But while retaining their current programs and services, Coast dealers would relinquish their franchise agreements with CoastAmerica, which Amdura bought in 1988 for $110 million.

The early June announcement ends weeks of speculation about who might snap up Coast, which was put up for sale two weeks after Amdura filed Chapter 11 on April 2. Amdura has also sought bids for its other wholesale company, Farwell, Ozmun, Kirk.

HWI still interested

ServiStar's all-cash offer must still be approved by the bankruptcy court here. It is also subject, until at least the third week of June, to counter-offers, including those from entities that have already expressed interest in Coast.

One of them, the Fort Wayne, Ind.-based Hardware Wholesalers Inc., said it would either submit a counter-bid or immediately begin building a DC in the Pacific Northwest to help it retain the many Coast dealers it claims to have signed in the region in recent weeks.

HWI's executive vp Mike McClelland hinted at opting for the former, and said of Amdura's agreement with ServiStar, "This is not a done deal by any means."

However, Amdura spokesman Scott Ross cited ServiStar's cash offer and plan to keep the Coast operation intact. According to inside sources, HWI

(Continued on page 72)

Sherwin-Williams launches paint store ad campaign

By an NHCN staff editor

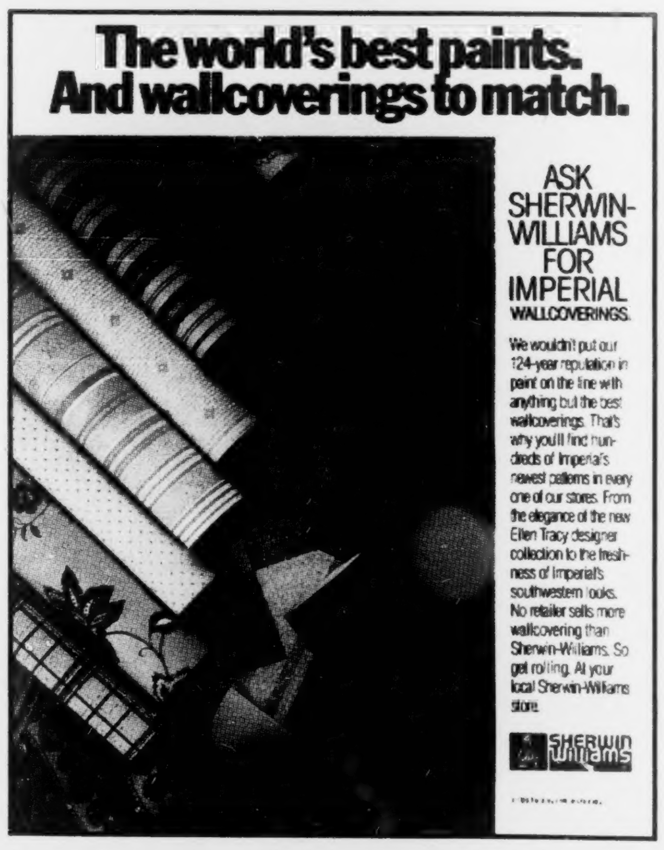
CLEVELAND — In a move designed to secure its position in the $4 billion paint market, Sherwin-Williams is implementing a $14 million promotion for its 1,900 company-owned paint stores.

The campaign—the most ever spent by Sherwin-Williams in this regard—includes radio and TV spots, plus 48 full-page, four-color magazine ads in *Metropolitan Home*, *Better Homes & Gardens* and *Midwest Living*.

To be seen through December, the ads will be heaviest between Memorial Day and Labor Day, when 75-80 percent of paint is sold, the company stated.

"In the past, we've done more print than broadcast," said Karl Schmitt, advertising director for the Sherwin-Williams' stores group. "This will

(Continued on page 3)


The world's best paints.
And wallcoverings to match.

ASK SHERWIN-WILLIAMS FOR IMPERIAL WALLCOVERINGS.

We wouldn't put our 124-year reputation in paint on the line with anything but the best wallcoverings. That's why you'll find hundreds of Imperial's newest patterns in every one of our stores. From the elegance of the new Ellen Tracy designer collection to the freshness of Imperial's southwestern looks. No retailer sells more wallcovering than Sherwin-Williams. So get rolling. At your local Sherwin-Williams store.

SHERWIN WILLIAMS

This four-color magazine ad promotes the chain's wallcovering selection.

POWER PLUMBING PRODUCTS

Sherwin-Williams promotes its stores in ad campaign

(Continued from page 1)

be a change from that, getting our name out there in broadcast."

Volatile market

The promotions come as the highly competitive retail paint market heats up. DeSoto, the Des Plaines, Ill., maker of private-label paints for Sears, the nation's leading paint retailer, is up for sale. Sears itself has admitted that home centers have taken a sizable bite out of its number one position in market share.

There is also some market uncertainty about the how successfully Pittsburgh Paints has integrated the Olympic Stain and Lucite Paint lines it acquired from Clorox last September.

Sherwin-Williams' Dutch Boy paint is being rolled out this year in Sears stores, and the supplier has been mentioned as a possible suitor to DeSoto.

"They view this as an opportune time," said Gregory Nejmeh, an analyst for Shearson Lehman Hutton in New York. "The industry is not growing fast, and the [promotion] campaign is aimed at increasing their share as things get shuffled around."

Sherwin-Williams stores had $1.2 billion in sales last year, representing two-thirds of the supplier's overall volume. Behind Sears, the units sell more paint than any single entity, although the competition is fierce.

Among others, formidable challenges come from Benjamin-Moore dealers throughout the country, and from Glidden. The latter operates more than 400 stores.

Sherwin-Williams also competes with itself—in a way—as it supplies the private label brand sold through Hardware Wholesalers Inc., the Fort Wayne, Ind.-based co-op of 3,000 members. HWI had an 18 percent sales increase in the category last year, and a 50 percent sales hike from its dealers located in the Southwest.

"Needless to say, it's a tough marketplace, and we want to make our stores heroes," said Schmitt.

Home decor items promoted

The ads, described as "fast-paced and funky," are aimed at married professionals, not unlike the tack Dutch Boy has taken with its "The Look" campaign.

In addition to paint, S-W plugs other wall coverings, window treatments and flooring, and focuses on quality and service instead of price.

Sherwin-Williams stores get 75 percent of their volume from contractors, who often shop with their homeowner clients. Schmitt said the ads were not designed to change that customer base.

"I'm not interested in shifting the business, but growing both sides of it," he said, adding, "we don't categorize our sales as either wholesale or retail."

Cost of tint soars

Although Schmitt denied that the promotion was a response to competition, he did cite increases in raw materials prices for prompting the campaign in part. The cost of titanium dioxide, for example, the tinting agent used to make paint white, has risen sharply over the last few years.

"We've held fast on price as others have cut prices," he said. "In the process, we hope they've backed off on quality as well."

Recent reports of a decrease in the cost of titanium dioxide were credited with fueling a mid-May, 25-cent increase in the price of Sherwin-Williams' stock. The company also confirmed last month that it had purchased a new technology for processing titanium dioxide, which could minimize the impact of price fluctuations.

One competitor said the ad campaign would benefit retail paint sales overall. "That kind of advertising gets consumers in general excited about painting," said Andrew Tennent, national paint sales manager for HWI.

◆

square one
ENERGIZER

Simon's "Square One" department groups together more traditional product categories. NHCN photo

Simon remodels unit, adds lines

New upscale products serve its affluent base

By an NHCN staff editor

CONCORD, Calif.— Attempting to court more remodelers and buy-it-yourselfers, Simon Stores has added to its remodeled store here such exotic lines as Innova patio furniture, Jacuzzis, Valli and Colombo European locksets and imported Laufen ceramic tile.

The expanded offering is part of the 90-year-old independent's strategy to widen its customer base. Long known for quality and service, Simon Stores is introducing a new employee training program and, under its Home Project Accounts Service, big-ticket customers get free delivery and other amenities.

The chain has chosen not to compete on price, unlike such competitors in this affluent market—40 miles northeast of Oakland—as Costco, Price-Club, HomeClub and, soon, Home Depot.

Art Simon, the company's vice president, said competition has grown by 20 percent in the Concord market alone. His decision to compete on service instead of price may be the right one.

Shopper Norma Crawford, who is remodeling an old home, was looking for an odd-

(Continued on page 71)

Do-It-All and Payless DIY merger to form U.K's 2nd largest chain

By Elizabeth Brent

DUDLEY, West Midlands, England — A few months ago the chairmen of Boots PLC and W. H. Smith PLC met over drinks, during which they agreed their respective home center divisions--Payless DIY and Do-It-All—were targeting the same customer.

The result of that conclusion occurred on June 5, when the two giant corporations agreed to a $71.8 million, 50-50 joint venture that combined the two retail chains, forming the second largest operator in the U.K. and continuing the worldwide consolidation trend in retail home improvement.

Eventually, all 230 stores involved in this deal will operate under the Do-It-All name. No store closings are anticipated, as the 109-unit Payless is concentrated in the south while Do-It-All's 121 stores are mostly in central and northern England.

Payless will close its headquarters in Sevenoaks and lay off most of its 238 employees.

"It's simply [for] reasons of cost," said Mike Caldwell, head of corporate affairs at Boots. "The south of England is a very expensive area for both property and salaries."

The assets of Payless DIY, the country's fourth largest home center chain, were acquired by the joint venture—known as Do-It-All—for $30.3 million, before deducting a debt of $14.83 million. The company will receive other payment for interest on cumulative preferred shares over the next two years.

Payless stores have 2.7 million square feet of selling space with a heavy focus on building materials and the

(Continued on page 70)

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upfront

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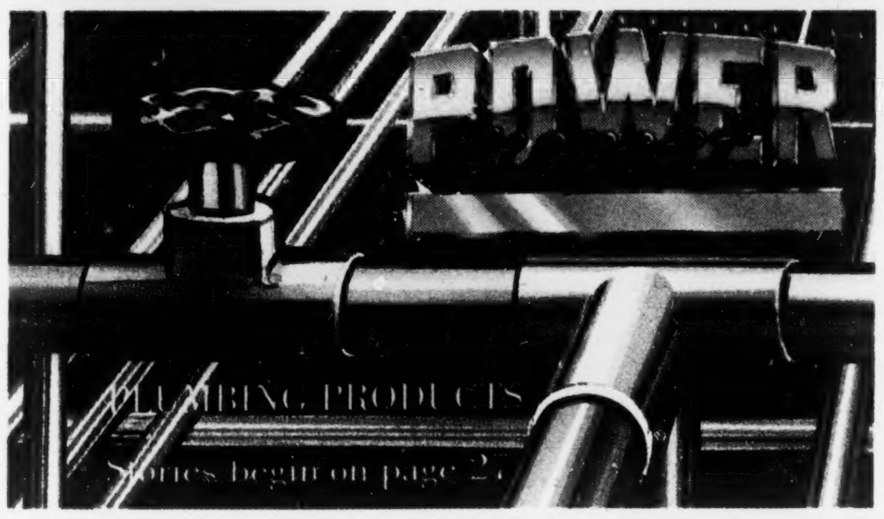
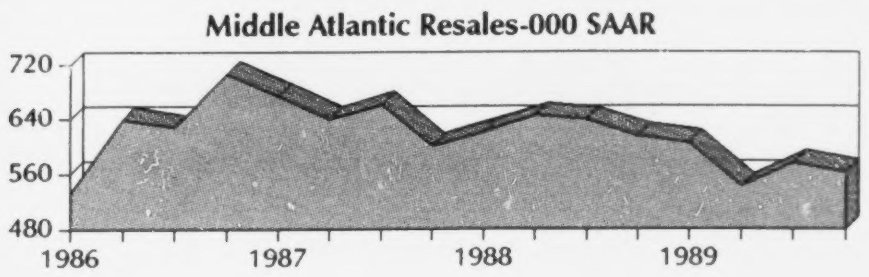


PLUMBING PRODUCTS

Stories begin on page 2?

business watch



BUSINESS WATCH 68

Ernst places installation program back in its own tool belt

By Elizabeth Brent

SEATTLE — In nearby Olympia, Wash., there weren't enough quality contractors to service homeowners who bought products in the local Ernst Home & Nursery and wanted them installed through the store's Mr. Build program.

Ernst was forced to halt installation in that unit. And when Mr. Build disbanded its regional office in this area, Ernst saw an opportunity to dissolve its partnership and run its stores' installation service internally.

"[We thought] let's put our destiny back in our court, let's go out and sign up contractors ourselves," said Gordon Erickson, Ernst's vp-merchandising who was behind his chain hooking up with Mr. Build in late 1987.

"We are capable of running our program now; we weren't then," he said.

Ernst is now streamlining the operations with a view towards placing installation in all its stores by 1992. Currently, installation is offered in 49 of Ernst's 73 stores, and Erickson expects the revitalized program to yield sales increases of over 50 percent this year. The chain declined to divulge any sales figures.

Monty Reese, Ernst senior vp-marketing and advertising. NHCN photo

Four-man team

Ernst can now control the number of contractors it deals with and turnaround time for projects. But it recognizes that installation is a separate business, and has retained the former program's four-man dispatch team that acts as an intermediary between contractors and homeowners.

The team is now called the Ernst Service Center (ESC) and has responsibilities that go beyond facilitating the pa-

(Continued on page 70)

Also tests new product lines and larger-format store design

By an NHCN staff editor

SEATTLE — Ernst Home & Nursery is testing three new departments and a "customer friendly" store design at its Westwood Village unit here.

If successful, the chain will build larger units in the future with 45,000-square-foot showrooms and 15,000 square feet of outside nursery space.

The addition of departments for office supply, home supply, and recreation and leisure, as well a line of video and audio cassette tapes, brings peripheral merchandise into the stores.

Company officials say the new departments will boost traffic flow, increase the frequency of store visits by consumers, which in turn will help the sale of projects that has been a parallel marketing push for the chain.

Many of the new items are volume producers and price sensitive items sold at little or no margin. But will customers drive to Ernst stores to buy such goods?

The company does offer convenient locations—39 stores in the Puget Sound area alone. But by widening its mix Ernst has also expanded the companies it competes against to include grocery and specialty stores.

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Harsh weather wreaks havoc in South

Lawn & garden season is rained-out, but emergency material sales help dealers survive

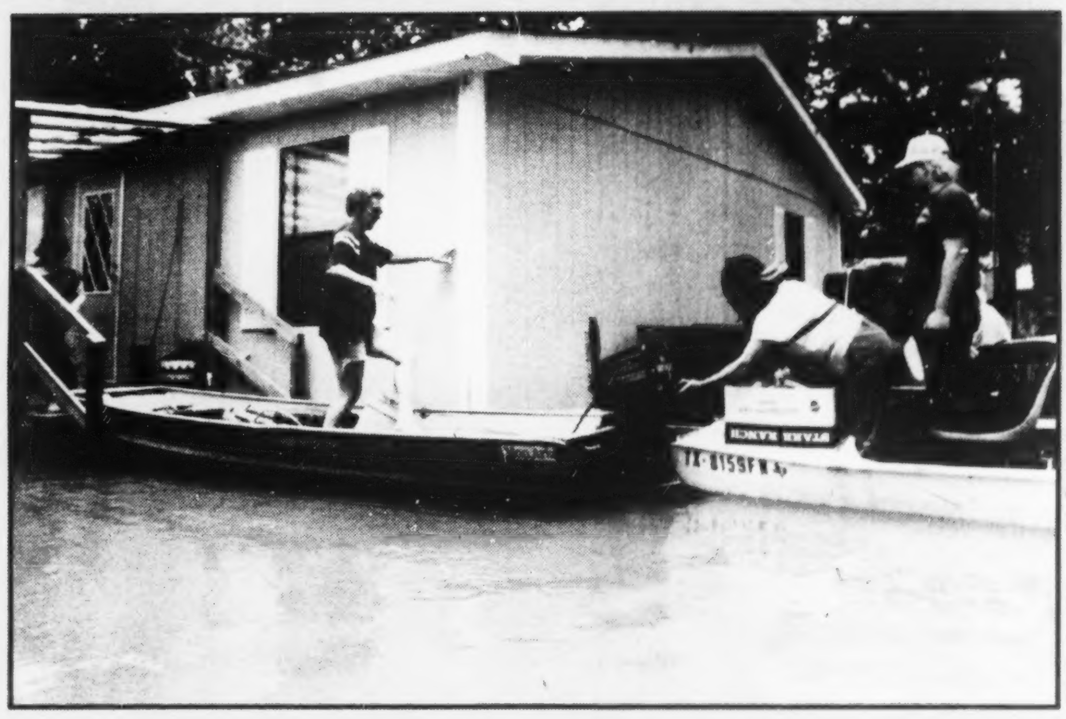

The Trinity River, in Southeast Texas, has swelled to almost double its normal depth, chasing many residents from their homes.

Photo by Donna W. Carson

By an NHCN staff editor

REGIONAL REPORT — Sales of lawn and garden supplies normally would be bustling this time of year at Elliott's Hardware in Dallas. But the independent has sold more water pumps and bug killer than fertilizer and hoes.

"We're having a banner year with submersible pumps," said vp Charlie Bond. "And we sold more fire ant killer in May than the last several years combined."

That's because Dallas and most of the Deep South are under water after being hit this spring by torrential rains, howling winds and, in some areas, tornadoes of record frequency.

The Noah's Ark-like weather began in mid-April and has hung on through June, claiming at least 15 lives, chasing hundreds from homes, destroying businesses and upsetting the ecology in Oklahoma, East Texas, Louisiana and Arkansas.

Recently, tornadoes have struck further north, hitting Kentucky, Missouri, Indiana and elsewhere in the Lower Midwest. At least 10 were killed by a spat of bad weather that struck in the first weekend of June.

In Bedford, Ind., twisters leveled a shopping center and a mobile home park, leaving 30 families homeless. In town, Black-Carmichael-Klein Lumber was anticipating requests for plywood, roofing and other materials.

(Continued on page 72)

Hardlines suppliers mount defense in price fixing case

By Gary S. Ruderman

ST. LOUIS — Officials of Hager Hinge here made a deal with federal investigators whereby no individuals at Hager will be prosecuted in return for the company pleading guilty in what could be a $200 million price-fixing case.

Hager—along with three other suppliers and five individuals—was indicted last month on a federal charge of conspiring to fix prices on architectural hinges used in public and commercial buildings.

The alleged conspiracy occurred from 1986 to this year, and amounted to "over $100 million annually," according to Terry Lubeck, the head of the U.S. Justice Department's Antitrust Division II in Washington.

Lubeck confirmed the details of the arrangement between his department and Hager. The fine has yet to be revealed.

Spokesmen for the other companies named in the indictment—The Stanley Works, New Britain, Conn.; McKinney Products Co., Scranton, Pa.; and Lawrence Bros., Sterling, Ill.—said their companies and senior managers were to plead not guilty to the charge at the arraignment slated for June 12 in federal district court here.

Individuals named were: Richard Martin, president of Stanley's hardware division and John F. Hollfelder, former vp-sales at Stanley's hardware division; David Gibson, president of McKinney Products and Robert Haversat, former president of McKinney and now president of its parent, Esstar Holdings, and John Lawrence, chairman of Lawrence Brothers.

Exactly who is culpable, however, isn't precisely clear from the indictment, in which Justice states that other persons, as yet unnamed, participated as co-conspirators in the alleged acts. At least one industry watcher suggested that field-level people may have been the real perpetrators of the price fixing but that Justice decided to name their superiors. This could not be verified independently by *NHCN*.

(Continued on page 72)

Corrections to *NHCN* Retail Census

Rank	Rank		Sales ($ Millions)		% Change	% DIY		Stores		proj.	Showroom sq. ft. Store avg.		SKUs store Average		Employees	
1989	1988	Company	1989	1988	1988-1989	1989	1988	1989	1988	1990	1989	1988	1989	1988	1989	1988
8	9	**Grossman's,** Braintree, Mass.	**801**	768	4	**80**	80	**157**	156	NA	**31,900**	31,900	**18,000**	11,000	**5,200**	8,100
20	18	**Pergament Home Centers,** Melville, N.Y.	**307**	272	13	**100**	100	**35**	35	39	**42,000**	40,000	**48,000**	40,000	**3,300**	3,000
		Revised Top 350 Totals And Averages	**34,715**	32,772	5.6	**62**	62	**5,384**	5,612		**18,086**	17,577	**13,919**	13,435	**240,530**	239,767

Corrections to *NHCN* Wholesale Census

Rank	Rank		Annual Sales $ Millions		% Change	Number of Distribution Centers		Avg. Inventory Carried at DC in $ Mil		Number of SKUs offered		Number of Active Customers		Number of Trucks		Number of Employees	
1989	1988	Company Name	1989	1988	1988-1989	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
8	5	**Emery-Waterhouse,** Portland, Maine	**102**	120	−15	**1**	2	**9.3**	11.2	**28,000**	29,600	**950**	1,200	**33**	33	**360**	480
		Revised Top 75 Hardlines Wholesalers Totals & Averages	**2,618**	2,616	0.1	**115**	123	**5**	5	**22,809**	23,081	**107,504**	108,858	**14**	15	**9,806**	10,089

Middle Atlantic States: *Building material sales tumble*

The Middle Atlantic states are currently in a soft position to support building material sales. The overall regional economy is weak, and housing markets in particular are down. Against this backdrop, building material sales will rise only 2 percent this year versus a national average of 5.4 percent. Sales in 1989 were down 3.4 percent, the worst in the nation. For the country as a whole, sales rose 1.4 percent.

Richard E. Mount

The region continues to face escalating problems. Following the stock market crash in 1987, financial firms cut back. As wage gains eased, housing came under pressure. Office and hotel construction, which had surged with the prior rise in the region's fortunes, suddenly became overbuilt.

Reductions in defense spending put the Long Island economy into a tail spin. Regional banks faced problems with real estate loans and international banks faced growing difficulties with foreign loans. As employment and tax revenues slowed, local governments, especially New York City and New Jersey, faced growing deficit problems. Drexel Burnham's bankruptcy in early 1990 put further pressure on the weak local economy.

The employment picture is soft—only New England is weaker. Total employment is up 0.9 percent, the national average is 2.1 percent. New Jersey is facing a 0.6 percent gain and New York—the strongest state in the region—is ahead by 1 percent.

Employment in Pennsylvania is up 0.9 percent and this state should be the strongest in the region over the coming year as Philadelphia's economy will not weaken as much as New York City's.

There are positives in the region. Household incomes are high, 14 percent above the national average as the Bergen and Middlesex metropolitan areas have the third and fourth highest per capita incomes in the nation. The distribution of population is also favorable as the area has a higher proportion of people age forty-five and above than the nation, the age group more likely to undertake remodeling work.

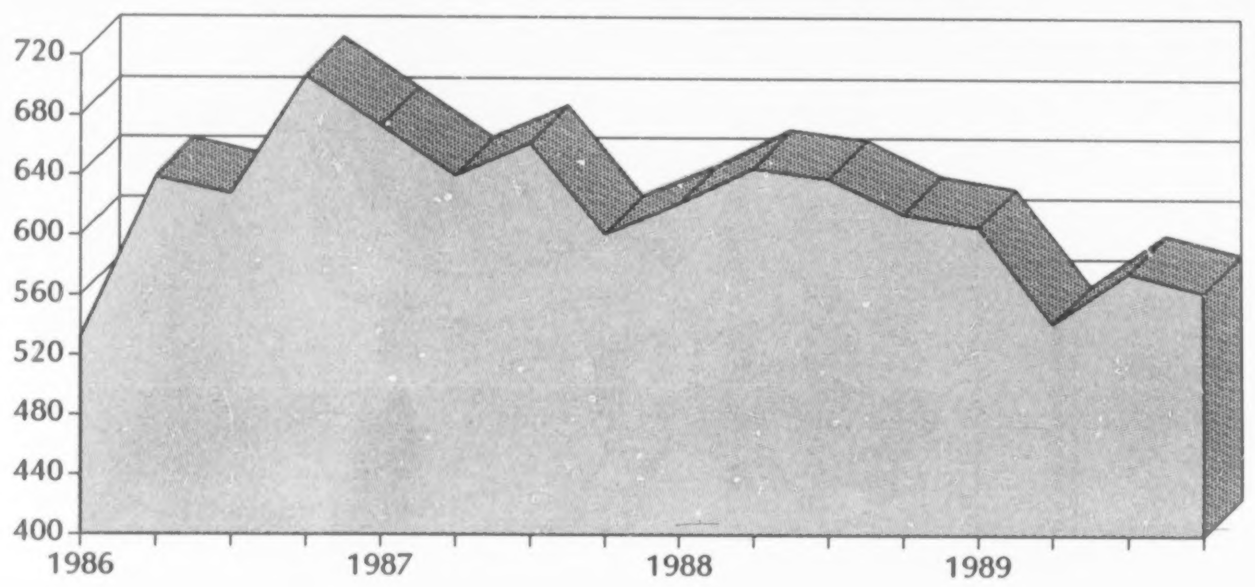
The softness in housing is also a plus. As it becomes a buyers' market, perspective sellers are fixing up their homes more than in the past to make them more marketable.

While finance and defense are major industries in the Middle Atlantic states, other sectors—business services, advertising, chemicals and communications—all respond to the national economy which appears to be in the early stages of a new acceleration. As the markets recover in 1990 and 1991, the Middle Atlantic states will stabilize, although not returning to their former glory of the mid 1980s. ◆

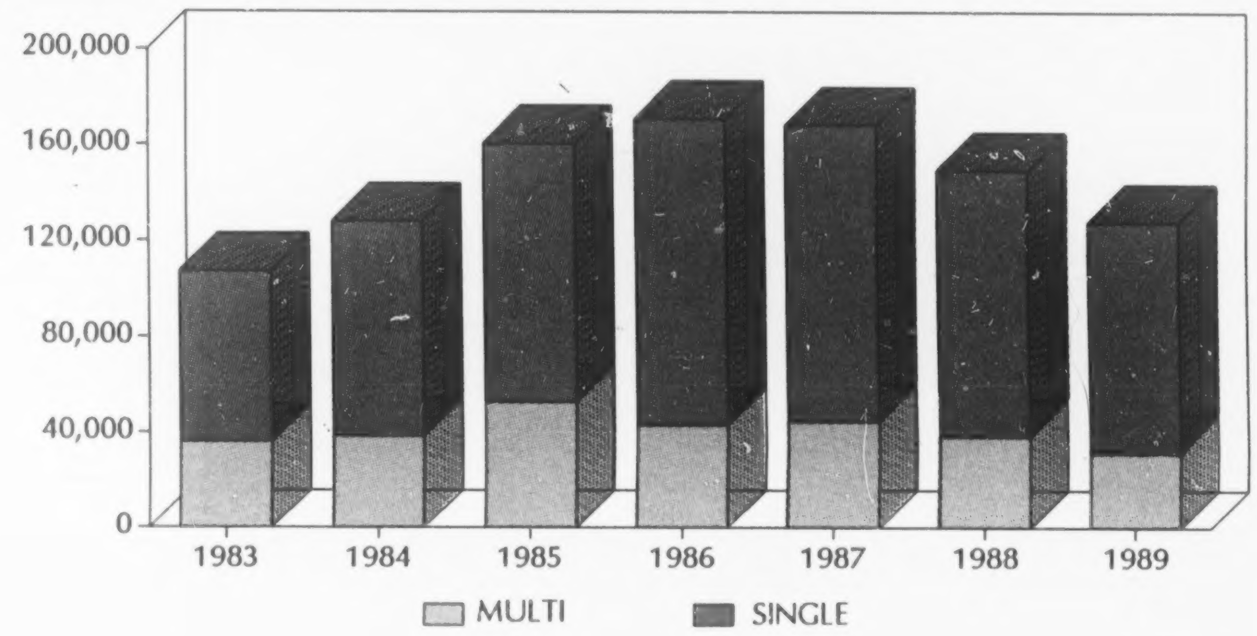
Richard Mount is president and chief economist with Mount Economic Consulting

market momentum

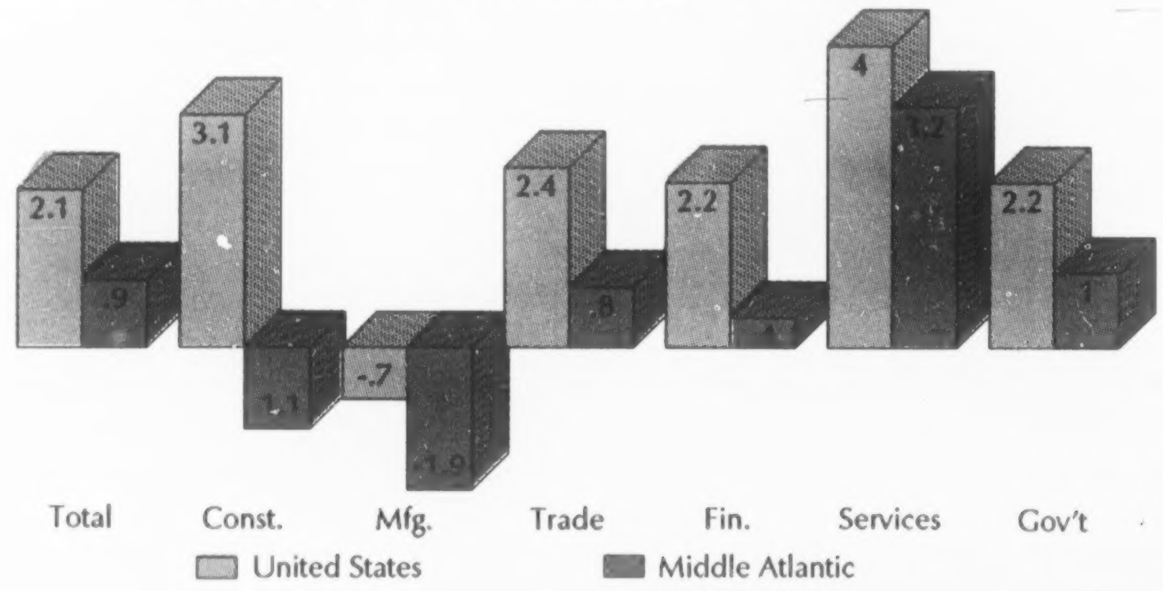
Middle Atlantic Resales-000 SAAR



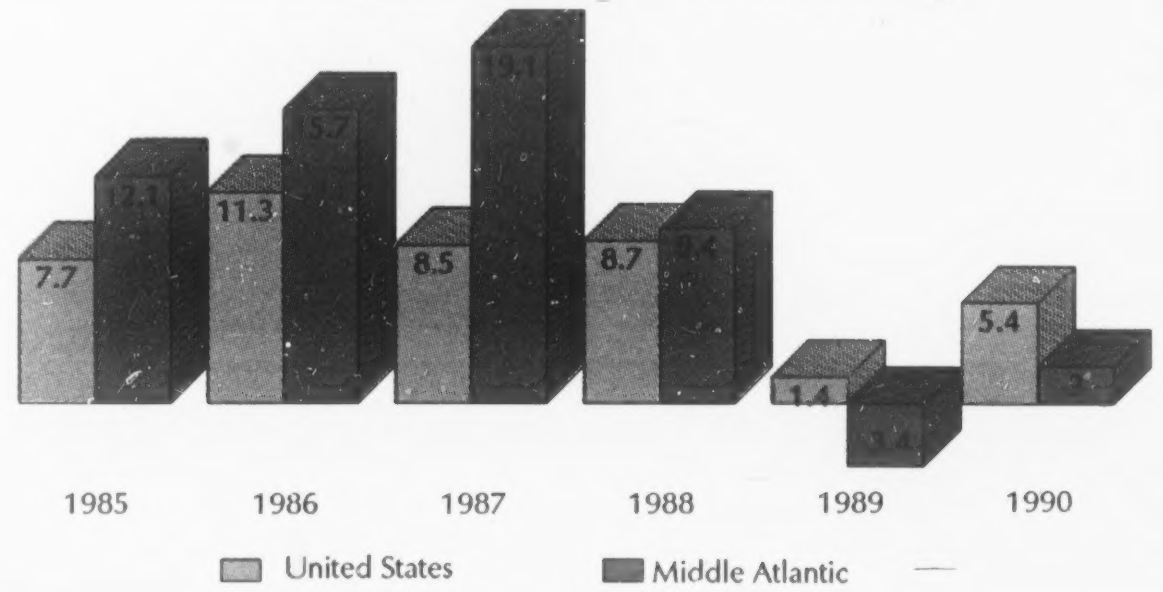
Middle Atlantic Residential Permits



Employment % Change Year Ago

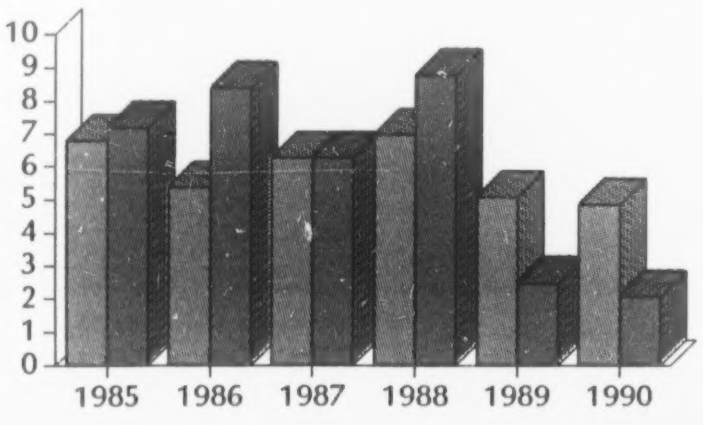


Building Material Sales % Change

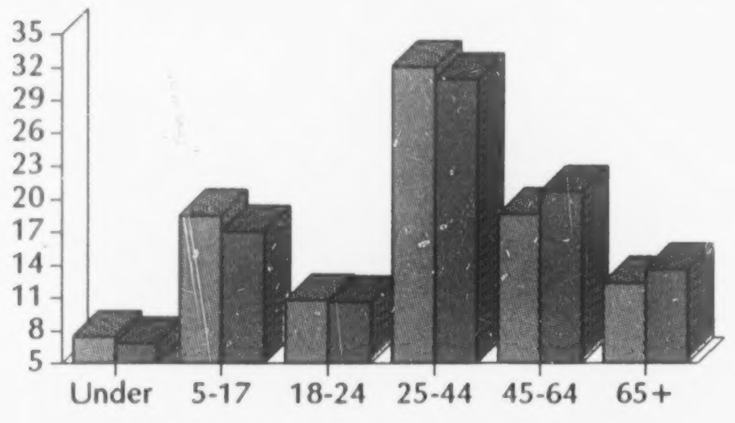


the bigger picture

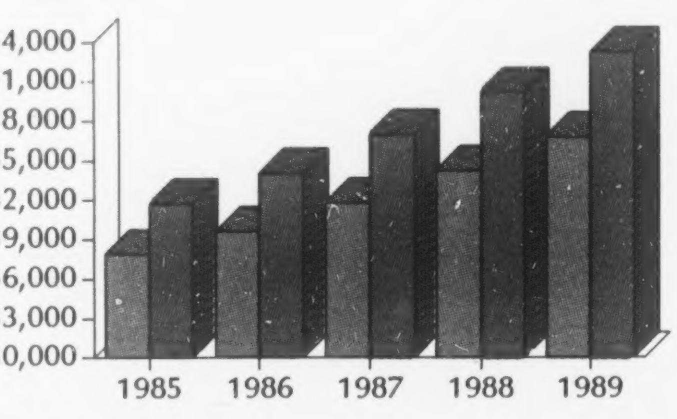
Total Retail Sales % Change



Population Distribution by Age (%)



Average Household Income



▨ United States ■ Middle Atlantic

Data for all charts: Dept. of Commerce / Bureau of Labor Statistics / National Association of Realtors / Dept. of Housing and Urban Development SAAR = Seasonally Adjusted Annual Rate / p = projection / *NHCN* Charts